



Modimolle
Local Municipality



UNITY UNDERSTANDING AND SUCCESS

Annual Report

MODIMOLLE LOCAL
MUNICIPALITY

2012/2013



"The gateway to Limpopo and the eco-tourism destination of choice"

CONTENTS

CONTENTS.....	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
COMPONENT B: EXECUTIVE SUMMARY	9
1.1. MUNICIPAL MANAGER’S OVERVIEW.....	9
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	9
1.3. SERVICE DELIVERY OVERVIEW	19
1.4. FINANCIAL HEALTH OVERVIEW.....	19
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW.....	21
1.6. AUDITOR GENERAL REPORT	21
1.7. STATUTORY ANNUAL REPORT PROCESS	22
CHAPTER 2 – GOVERNANCE	24
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	25
2.1 POLITICAL GOVERNANCE.....	Error! Bookmark not defined.
2.4 ADMINISTRATIVE GOVERNANCE.....	36
COMPONENT B: INTERGOVERNMENTAL RELATIONS	41
2.4 INTERGOVERNMENTAL RELATIONS.....	42
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	44
2.4 PUBLIC MEETINGS.....	44
2.5 IDP PARTICIPATION AND ALIGNMENT	47
COMPONENT D: CORPORATE GOVERNANCE.....	47
2.6 RISK MANAGEMENT	47
2.7 ANTI-CORRUPTION AND FRAUD	49
2.8 SUPPLY CHAIN MANAGEMENT	49
2.9 BY-LAWS.....	50
2.10 WEBSITES	50

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	51
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	52
COMPONENT A: BASIC SERVICES	Error! Bookmark not defined.
3.1. WATER PROVISION.....	Error! Bookmark not defined.
3.2 WASTE WATER (SANITATION) PROVISION.....	Error! Bookmark not defined.
3.3 ELECTRICITY	Error! Bookmark not defined.
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	Error! Bookmark not defined.
3.5 HOUSING	Error! Bookmark not defined.
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT.....	Error! Bookmark not defined.
COMPONENT B: ROAD TRANSPORT	Error! Bookmark not defined.
3.7 ROADS	Error! Bookmark not defined.
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	Error! Bookmark not defined.
3.9 WASTE WATER (STORMWATER DRAINAGE)	Error! Bookmark not defined.
COMPONENT C: PLANNING AND DEVELOPMENT.....	Error! Bookmark not defined.
3.10 PLANNING.....	Error! Bookmark not defined.
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	Error! Bookmark not defined.
COMPONENT D: COMMUNITY & SOCIAL SERVICES	Error! Bookmark not defined.
3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	Error! Bookmark not defined.
3.55 CEMETORIES AND CREMATORIUMS	Error! Bookmark not defined.
3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	Error! Bookmark not defined.
COMPONENT E: ENVIRONMENTAL PROTECTION	Error! Bookmark not defined.
3.59 POLLUTION CONTROL	Error! Bookmark not defined.
3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION) Error! Bookmark not defined.	
COMPONENT F: HEALTH	Error! Bookmark not defined.
3.62 CLINICS.....	Error! Bookmark not defined.

3.63	AMBULANCE SERVICES	Error! Bookmark not defined.
3.64	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	Error! Bookmark not defined.
COMPONENT G: SECURITY AND SAFETY		Error! Bookmark not defined.
3.65	POLICE.....	Error! Bookmark not defined.
3.66	FIRE	Error! Bookmark not defined.
3.67	OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	Error! Bookmark not defined.
COMPONENT H: SPORT AND RECREATION		Error! Bookmark not defined.
3.68	SPORT AND RECREATION	Error! Bookmark not defined.
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES		Error! Bookmark not defined.
3.69	EXECUTIVE AND COUNCIL	Error! Bookmark not defined.
3.70	FINANCIAL SERVICES.....	Error! Bookmark not defined.
3.71	HUMAN RESOURCE SERVICES.....	Error! Bookmark not defined.
3.72	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	Error! Bookmark not defined.
3.73	PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES.....	Error! Bookmark not defined.
COMPONENT J: MISCELLANEOUS.....		Error! Bookmark not defined.
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD		Error! Bookmark not defined.
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE		168
(PERFORMANCE REPORT PART II)		168
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL		168
4.1	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	168
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE		170
4.2	POLICIES	171
4.3	INJURIES, SICKNESS AND SUSPENSIONS	172
4.4	PERFORMANCE REWARDS	175
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....		176
4.5	SKILLS DEVELOPMENT AND TRAINING	177

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.....	180
4.6 EMPLOYEE EXPENDITURE.....	180
CHAPTER 5 – FINANCIAL PERFORMANCE	183
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....	183
5.1 STATEMENTS OF FINANCIAL PERFORMANCE.....	184
5.2 GRANTS.....	186
5.3 ASSET MANAGEMENT	189
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	192
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	197
5.5 CAPITAL EXPENDITURE.....	197
5.6 SOURCES OF FINANCE.....	198
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	199
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	201
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	203
5.9 CASH FLOW	204
5.10 BORROWING AND INVESTMENTS	205
5.11 PUBLIC PRIVATE PARTNERSHIPS	209
COMPONENT D: OTHER FINANCIAL MATTERS	209
5.12 SUPPLY CHAIN MANAGEMENT.....	209
5.13 GRAP COMPLIANCE.....	210
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	211
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2012/13	211
6.1 AUDITOR GENERAL REPORTS 2007/08.....	211
COMPONENT B: AUDITOR-GENERAL OPINION 2012/13	212
6.2 AUDITOR GENERAL REPORT 2008/09	212
GLOSSARY.....	215
APPENDICES	218
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE.....	218

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	219
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	220
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	220
APPENDIX E – WARD REPORTING	222
APPENDIX F – WARD INFORMATION.....	225
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/13.....	227
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	231
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE.....	233
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	234
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	235
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	235
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	235
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	236
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	238
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	238
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	239
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/13.....	242
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/13	243
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	245
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	246
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY.....	247
APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71	248
APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT	248
VOLUME II: ANNUAL FINANCIAL STATEMENTS	250

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY**COMPONENT A: MAYOR’S FOREWORD****A. Vision**

The new vision of Modimolle was developed during the February 2012 and adopted by the IDP Representative Forum. The purpose of this revision was to ensure that it is appropriate, considering the development plans for the municipality and that it is aligned to the national vision for 2030.

“THE ECO-TOURISM DESTINATION OF CHOICE”**B. Key Policy Developments**

The year 2012/2013 shows the strive of development and sustainable of economic growth in our municipality.

During the year under review the municipality experienced highlights in terms of meeting our community expectations through our public participation programme and the targets sets in our Service Delivery Implementation Plan (SDBIP).

The 2012/2013 Annual Report is presented according to Section 46 of the Local Government: Municipal Systems Act No 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No 56 of 2003. The municipality must prepare an Annual Report for each financial year and the Mayor must table such report in Council within seven months after the end of each financial year.

The report take cognisance to our strategic documents (Integrated Development Plan) which Council adopted and the outcome of the institutional performance.

C. Key Service Delivery Improvements

Our success on service delivery depends solely on collective efforts of working together to build better communities. We are proud to announced that we have improved the lives of our communities by achieving the following Key Service Delivery targets:

- Erection and completion of the Joe Slovo Bridge
- Paving of streets at Ward 7, 8 and 9 continuing in Mabatlane and Mabaleng
- Erection of Mabatlane Market Stalls
- Mabaleng Package Plant
- Electrification at Extension 10
- Town Planning of Extension 11 in Phagameng
- Extension 3 in Mabatlane and acquired land in Alma for new Township Establishment

D. Public Participation

During Public Participation Programme the needs of the community were captured in our IDP document as a strategic document and they were achieved as per their priorities.

The municipality has to improve from the Auditor General Audit outcome to a clean audit.

Our success on service delivery depends solely, on collective efforts of working together to build better communities.

E. Future Actions

(Initiatives committed whereby service delivery will be improved over the next few years.)

F. Conclusion

It remains critical to acknowledge the role of the Executive Committee, Council and Management for their sterling hard work through all hardships to provide the excellent leadership.

Indeed, working together we can build better communities.

I thank you

**COUNCILOR KGARETJA ELIZABETH LEKALAKALA
MAYOR**

COMPONENT B: EXECUTIVE SUMMARY

1.1. ACTING MUNICIPAL MANAGER'S OVERVIEW

The Local Government: Municipal Systems Act, 32 of 2000, requires that all municipalities must develop the Integrated Development Plans (IDPs). It requires as well that the municipality should develop and review the IDP through a consultative process with its communities.

Modimolle Local Municipality's IDP 2012/13 has been reviewed through a consultative process as outlined within the IDP approved Framework and reviewed Process Plan to produce the IDP document for 2012-2017. The Framework outlines the legislative framework; and states when, how and by whom activities will be under taken.

Public participation was conducted through the IDP Representative forum, ward meetings in all wards, IDP Steering Committee and various portfolio committees and forums of the municipality. The legislative frameworks outlined in the Implementation phase were considered during the process of review of the IDP.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

<p>INTRODUCTION TO BACKGROUND DATA</p> <p>The municipality provides water, sanitation, refuse collection and electricity in the municipal area. Backlogs in the provision of services are as follows: Water 5.81%, sanitation 25.07%, refuse collection 10% and electricity 8.92%. The municipality achieved a Blue Drop rating during the 2010/2011 financial year with 95.01%. Free basic services are provided to all indigent households registered on the indigent register. This includes 6kl water per month, 75kWh electricity and refuse removal free of charge.</p> <p>Water:</p> <p>The municipality is a water services authority and has approximately 19,804 registered households. Out of the registered households 281 households are indigent and receive the 6kl water per month and farm dwellers' water supply is the responsibility of farm owners. Water is provided by means of piped water inside yard, piped water from access point and piped water inside dwelling. The municipality receives surface water from Donkerpoort Dam and pipeline from Klipdrift Purification Works (Magalies Water) and ground water from Perdelaagte borehole, Mabaleng borehole and Mabatlane boreholes. Currently a water shortage exists in the Vaalwater area which is solely dependent on boreholes. In some extensions water carts are used to supply water to the community. The reservoir in Vaalwater is 3 mega litres capacity. The municipality is currently upgrading the water pipelines, however, a water shortage still exist in the area. Sufficient water sources have been identified on private farms in Vaalwater, but the land prices are high.</p> <p>Sanitation:</p> <p>Modimolle waste water treatment plant is currently running at its full capacity of 3ML/day treating an average of ±4.5ml/d. The municipality is expanding the existing sewer treatment plant by another</p>

3ML/day although it has been indicated that the new expansions will still not address the full demand that currently exists. The existing sewer capacities constrain future development in the municipality plant. Vaalwater is currently using oxidation ponds, but the [ponds are over flowing which poses an environmental challenge, especially in rainy seasons, due to the close proximity to the Mokolo River. Alma presently has no waste water treatment plant. 480 households in Alma and 400 households in Vaalwater have a backlog respectively.

Electricity:

Modimolle Local Municipality is an electricity service provider and currently has a total of 23MVA capacity to supply the community. Out of the 23MVA, Modimolle town has 20MVA of which its optimum utilization is ± 16 MVA. The Vaalwater area has a transformer of 3MVA and currently using 2.8 MVA. There is a need for additional capacity of 20MVA in Modimolle Town and 10 MVA in Vaalwater to enable further development. ESKOM provides farming communities with electricity.

The municipality has intentions to upgrade the internal capacity. However, it is challenged with lack of funds. DBSA has been approach with application of a loan of $\pm R25$ m, whereas another option is to apply for a grant of $\pm R15$ m from Department of Energy which the municipality had already explored through submission of a Business Plan.

To be noted is that the municipality strives to develop programmes that seeks to promote principles of green energy as encouraged to all energy consumers and suppliers through COP 17 South Africa 2011. The municipality has developed a draft Strategy on Energy Efficiency. This project will be implemented at municipal level.

Waste Removal

The MLM has two licensed landfill sites, one in Vaalwater and the other in Modimolle/Phagameng, with a total capacity of 320 000m³ and the total general waste collected is 840 000 m³. Currently there is a need to relocate the Modimolle Town Land Fill Site as it is at close proximity to the newly developed extension 10 township. The legal status of both the land fill sites in Vaalwater and the Modimolle town is being compromised.

The Vaalwater land fill site is compromised by the encroachment of Leseding Extension 2 and new Extension 3 development and Modimolle is compromised by the new Extension 10 development. The landfill site in Vaalwater is being rehabilitated with the assistance of Waterberg District Municipality. The District is currently considering the establishment of a district wide landfill site. The municipality has identified a new Landfill site in Modimolle and the process of establishment of the site is underway.

Waste collection service is provided to 18,000 households, including informal settlements. Farms and game lodges dump on their private properties. Farmers are required to acquire legal environmental certificates that permits them to do dumping at a minimal scale in designated private areas. The backlog of refuse removal is 2000 and target for 2012/13 is 81165. A challenge exist to establish infrastructure for refuse removal. Medical and hazardous waste are not accepted at the landfill sites. Waste oil is recycled by private companies in Gauteng.

Housing:

The municipality is characterized by townships, farms and informal settlements. The unemployment rate increased rapidly during the focus shift due to the increase in evicted farm workers. The increasing housing backlog in the municipality is a huge challenge. The current RDP housing backlog is approximately 4,500 units. Most of the housing structures are mainly built out of brick and cement and informal settlements are 100% tin houses. The municipality has developed a Housing Chapter which has to provide guide to the above mentioned situation.

Roads:

Modimolle strategically located with close proximity to Pretoria, Polokwane, Lephalale, Groblersdal and Lebowa kgomo. Modimolle is accessible to the N1, that links Gauteng Province and Limpopo Province and the R33 is a freight corridor that connects the east and the west. It is used mostly by trucks passing through Modimolle to Lephalale Local Municipality. The road is very narrow and many accidents have occurred due to the amount of trucks using the road.

The existing road infrastructure within MLM's jurisdiction comprise of provincial, district and local roads. In general, the road network within the municipal area consists of gravel, concrete blocks and surfaced roads. The existing municipal road network comprises of a total of 186,4km. It is of particular importance that the bulk of the surfaced road network is still in a relatively good to fair condition ($\pm 85\%$) and subsequently, with appropriate and timely intervention, the integrity of the majority of the existing surface road network can be preserved.

Public Transport System:

The MLM has four taxi ranks, one in Vaalwater (Mabatlane), two in Modimolle town and one in Phagameng. The distance from Phagameng to Modimolle CBD is about 3.5km by which some people prefer to walk to town. There is currently no taxi rank in Alma (Mabaleng) and most people are transported by private car owners. Public transport to Alma from Modimolle town is currently being challenged by the District road condition. The two access roads to Alma are district roads and currently gravel roads.

The railway line connecting the south to the north is currently active and are being utilised for both passengers and freight goods. The railway link from Modimolle to Vaalwater (Mabatlane) is currently closed and was previously used to transport agricultural products. The municipality is not a transport authority. Currently MLM do not have a bus transport network. The existing transport network is adequate at this time, although it should be noted that the network must be re-evaluated regarding proposed development.

Local Economic Development:

Modimolle has an approved LED Strategy. The strategy has indicated that Modimolle Local Municipality has a Tress Index of 51.7 %, which it is a clear indication that the economy is neither

diversified nor concentrated. The economy is reliant on more than one sector and thus not vulnerable to external impacts.

Agricultural Sector is the most comparative sector with a high local quotient. This implies that the sector is serving needs beyond the sector, exporting goods and services from this sector.

Mining, Utilities and Government Services have a low local quotient, this implies that local needs are not being met by residents sector, the municipality is importing goods and services in this sectors.

Demographics:

Municipal population according to the official census of 2001 was 72 810 comprising 17 544 households. Estimates of population at the settlement level that are compiled by the Department of Water Affairs (DWA) for water service planning purpose suggest a population figure of 76643 persons for Modimolle Local Municipality in 2011, comprising 19132 households. The average size is 4 persons. This is probably the more accurate reflection of the local demographic situation. It could be assumed that the average population growth rate in Modimolle Local Municipality will be similar to the provincial population growth rate of 0.94% per year. The higher population growth rate of the past decade was caused by people migrating from rural areas to Modimolle town, but this migration process has now stabilized.

T 1.2.1

Population in Modimolle Municipality:

	Census (2007)	Department of Water Affairs Database (2011)	MLM Council Data (2009)	Census According to Ward (2007)	Government Communication Information Systems
Population		76 643	None	72 790	
Households		19 132	30 000		

Source: Stats SA

Employment Statistics:

Indicator	2011	2012	2013
Population –Total(Number)	62963	60536	60068
Population-Working age (Number)	41132	39945	40010
Employed-Formal and informal-Total(Number)	20504	19970	19142
Unemployed (Number)	5467	4799	4391
Unemployed rate (%)	21.1	19.4	18.7
Labour force participation rate (%)	63.1	62.0	58.8

Unemployed in Modimolle Local Municipality is lower than the provincial average, which could be due to the high incidence of retired people in this municipality. The labour force participation rate is also considerably higher than the provincial average. This could be the result of younger adults moving to Gauteng in search of work opportunities.

Employment Sector in Modimolle Local Municipality:

	Male	Female	Grand Total
0 - 4	2536	2659	5195
5 - 9	2886	2135	5021
10 - 14	2467	2500	4967
15 - 19	2016	2881	4897
20 - 24	3033	2483	5516
25 - 29	2604	2233	4837
30 - 34	2605	1952	4557
35 - 39	2405	1737	4142
40 - 44	1348	1635	2983
45 - 49	1303	1516	2819
50 - 54	820	824	1644
55 - 59	755	511	1266
60 - 64	544	599	1143
65 - 69	457	706	1163
70 - 74	361	527	888
75 - 79	211	547	758
80 - 84	262	111	373
85 +	119	310	429
Grand Total	26732	25866	52598

T1.2.2

Wholesale & Retail trade is absorbing the larger percentage of the labour force, followed by Community, Social & Personal Services. This sector includes tourism and civil services. Civil service is the major contributor to our economy since Modimolle is the regional hub of government.

DRAFT

Income per Individual:

	Male	Female	Grand Total
No income	3901	6889	10790
R1 - R400	482	540	1022
R401 - R800	2655	2034	4689
R801 - R1 600	4274	2974	7248
R1 601 - R3 200	1677	742	2419
R3 201 - R6 400	1046	863	1909
R6 401 - R12 800	865	807	1672
R12 801 - R25 600	406	239	645
R25 601 - R51 200	235	158	393
R51 201 - R102 400	180	73	253
R102 401 - R204 800	83	33	116
R204 801 or more	-	-	0
Response not given	517	670	1187
Institutions	1214	492	1706
Grand Total	17535	16514	34049

Economic Production:

Sector	2011	2012	2013	2013%
Agriculture, Forestry & Fishing	116	101	102	5.1%
Mining & Quarrying	21	17	20	1.0%
Manufacturing	126	113	114	5.7%
Electricity, Gas & Water	57	60	62	3.1%
Construction	63	62	62	3.1%
Wholesale & retail trade, catering & Communication	350	328	334	16.6%
Transport, Storage & Communication	299	312	326	16.6%
Finance, Insurance ,real estate & business services	478	485	492	24.4%
Community, Social & Personal services	100	98	98	4.9%
General Government	386	391	405	20.1%
Total	1996	1967	2015	100.0

The Modimolle local economy is relatively small, with an estimated total economic value of production of only R2 billion or 2010 (at constant price). The biggest contribution is from the finance , insurance, real estate and business service sector, which largely reflects the inputted rental value of land. Government is a significant contributor to the local economy .The third largest contribution is from trading activities and tourism destinations.

Employment Status by Gender:

Employment	Male	Femal e	Grand Total
Employed	11521	7802	19323
Unemployed	1637	3189	4826
Not Economically Active	2742	4734	7476
Grand Total	15900	15725	31625

Housing – Type of main Dwelling:

Type of Infrastructure	No. HH
House or brick structure on a separate stand or yard	29231
Traditional dwelling/hut/structure made of traditional materials	936
Flat in block of flats	136
Town/cluster/semi-detached house (simplex: duplex: triplex)	219
House/flat/room in back yard	190
Informal dwelling/shack in back yard	2533
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	13070
Room/flat let not in back yard but on a shared property	2674
Caravan or tent	26
Private ship/boat	-
Workers' hostel (bed/room)	551
Other	35
Institutions	3000
Grand Total	52601

Most houses are formal structures with basic services. Informal settlements in Modimolle have been formalised and receive basic services. The growth of informal settlements is increasing housing demand, which has direct impact on provision of basic services.

Source: MLM GIS Survey 2011

Table 1: Housing Types – Main Dwelling

Municipality	House or Brick structure on a separate stand or yard	Traditional dwelling/hut/structure made of traditional material	Flat in block of flats	Town cluster/ semi-detached house	House/flat/ room in back yard	Informal dwelling/shack in back yard	Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	Room/flat let not in back yard but on a shared property	Caravan or tent	Private ship/boat	Workers' hostel (bed/bed room)
Modimolle Local Municipality	8657	395	98	140	152	675	3518	1888	24	0	251

MLM GIS Survey 2009

T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community

T1.2.7

The municipality is encountering challenges in terms of addressing housing backlog due to:

- Lack of well located, developable land for housing (most of the land which is well located and well suited is privately owned and insufficient for housing subsidies),
- Under staffed town planning unit,
- Lengthy procedure in dissemination between Limpopo Provincial Government and Local authorities regarding housing matters,
- Lack of housing integrated planning and development (housing will be constructed without road infrastructure and connection plans to the main bulk sewer line), and
- The municipal sewer treatment plant is operating above its capacity and threatening new developments.
- Renting and selling out of RDP Houses at early years by beneficiaries

- RDP which were allocated to minor whom are still under their parent support- which tends to increase a number of un-occupied RDP and vandalized structure within the jurisdiction.
- Illegal occupation of RDP houses.
- Selling of RDP structures
- Illegal allocation of RDP houses.
- Wrongful allocation of RDP houses to people not qualifying for RDP's
- Duplication of stands/ erf numbers when beneficiaries are registered

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality provides water, sanitation, refuse collection and electricity services. Free basic services – water, sanitation, electricity and refuse collection is provided to all households registered on the indigent register. Free basic services include 6 kl water per month, 75kWh of electricity per month and refuse removal free of charge.

T 1.3.1

COMMENT ON ACCESS TO BASIC SERVICES:

Delete Directive note once comment is complete – Explain the shortfalls in service contained in the diagram above

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Delete Directive note once comment is complete – Provide a brief introduction on the financial sustainability of the municipality commenting on key successes and outcomes in 0809 and those things that were challenging and required rectification – state how state how such challenges are being addressed. Comment also on the financial health of the municipality as derived from the financial ratios in Chapter 5.

T1.4.1

Financial Overview 2011/12

Details	Original budget	Adjustment Budget	Actual
Income			
Grants	87807	95708	84051
Taxes, Levies and tariffs	121 960	116 326	114 016
Other	9 722	11 022	14 317
Sub Total	186 985	183 498	185 570
Less Expenditure	(212 526)	708 768	(218 141)
Net Total*	(25 541)	(525 270)	(32 571)
*Note: surplus/ (deficit)			

T1.4.2

Operating Ratios

Detail	%
Employee Cost	28.9
Repairs & Maintenance	3.7
Finance Charges & Depreciation	15.2

COMMENT ON OPERATING RATIOS:

T1.4.3.

Total Capital Expenditure 2009/10 - 2011/12

	R'000		
Detail	2009/10	2010/11	2011/12
Original Budget	55 735	40539	33 315
Adjustment Budget	34 608	37 392	41 572
Actual	34 179	25 518	25 643

COMMENT ON CAPITAL EXPENDITURE:

The variance on capital expenditure was 18.76% due to expenditure targets that could not be met.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Delete Directive note once comment's completed – Provide an overview of key Organisational Development issues based on information contained in Chapter 4

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 12/13

The municipality achieve an adverse audit opinion for the 2010/2011 financial year

Delete Directive note once comment's completed – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP for next financial year. Annual Report and Oversight Reports to be used as input.	January

COMMENT ON THE ANNUAL REPORT PROCESS:

Delete Directive note once comment is complete –Explain the importance of achieving the above deadlines to prepare the Annual Report nearer the end of the financial year and to provide the next budget process with a wide range of data from the outset. Include a statement to explain the importance of alignment between the IDP, Budget and Performance Management System as dealt with at item 1 or the schedule. Explain any failures to achieve the above timescales.

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Modimolle Local Municipality is constituted by the following political structures namely:

- The Council
- Executive Committee
- Section 79 Council Committees
- Rules Committee
- Ward Committees
- And other Section 79 Committees such as Municipal Public Accounts Committee (MPAC)
- Audit Committee (AC)
- Performance Audit Committee (PAC)

Political Decisions are the competency of the Municipal Council.

Council Ordinary meets four times a year.

In terms of Section 160(2) of the Constitution of the Republic of South Africa Act 108 of 1996 the following functions of the Municipal Council may not be delegated to any Council Committee that is:

- (a) the passing of by-laws
- (b) the approval of budgets
- (c) the imposition of rates taxes, levies and duties, and
- (d) the raising of loans

A **Municipal Council** has the following rights and duties in terms of Local Government: Municipal Systems Act 32 of 2000 (Chapter 2, Section 4)

- (a) govern the local government affairs of the local community
- (b) exercise the municipality's executive and legislative authority
- (c) finance the affairs of the municipality by:
 - (i) charging fees for services and
 - (ii) imposing surcharges on fees, rates on property and other taxes, levies and duties

The Council may further:

- exercises the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community.
- provide democratic and accountable government
- Encourage the involvement of the local community
- Ensure that municipal services are provided to the local community in a financially and environmental sustainable manner.
- Give members of the local community equitable access to the municipal services entitled to them
- promote and undertake development in the municipality
- promote gender equity in the exercise of the municipality's executive and legislative authority
- promote a safe and healthy environment in the municipality
- the municipality must in the exercise of its executive and legislative authority respect the rights of citizens and those of other persons protected by the Bill of Rights.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

The Municipality has reconstituted its Committees to Section 79 Committees in terms of Section 79 of the Local Government: Municipal Structures Act of 1998, as amended, to perform its functions effectively and efficiently. In addition to the Section 79 Committees are the Rules Committee, Municipal Public Accounts Committee (MPAC) Audit Committee and Performance Audit Committee which are functional.

The Audit Committee and Performance Audit Committee are composed of external professionals who are not in the employment of the municipality.

The Municipal Public Accounts Committee is composed/constituted of non-executive councillors as per the guidelines for establishment of Municipal Public Accounts Committees published by the department of Co-operative, Governance Human Settlement and Traditional Affairs (COGHSTA).

The Rules Committee is composed / constituted of the Speaker and three councillors is composed which are non-executive.

The Modimolle Local Municipality's Council consists/comprises of 18 Councillors, 9 of whom are Ward Councillors and the remaining 9 are proportional Councillors (PR).

Council has four (4) full-time Councillors holding the position of the Mayor, Speaker, Chief Whip and member of the Executive Committee.

POLITICAL STRUCTURE (Full-time Councillors)



Mayor
Clr K E Lekalakala



Speaker
Clr S A Sebolai



Chief Whip
Clr N G Matshitišho



Member
Clr M P Kekana

EXECUTIVE COMMITTEE



Mayor
Clr K E Lekalakala



Member
Clr L W van Aswegen



Member
Clr M P Kekana

The Executive Committee meets monthly to take decisions on matters presented to it from the Council Committee and as delegated in terms of Section 59 of Local Government: Municipal Systems Act 32 of 2000.

The **Executive Committee** has the following powers:

- Identify the needs of the municipality, review and evaluate those needs in order of priority.
- Recommend to the municipal Council Strategies, programmes and services to address priority needs through the integrated development plan and estimated of revenue and expenditure, taking into account any applicable National and Provincial development plans, and

- Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.
- Evaluate progress against the key performance indicators.
- Monitor the management of the municipality's administration in accordance with the policy directions of the municipal council.
- Oversee the provision of services to communities in the municipality in a sustainable manner.
- Ensure that regard is given to public views and report on the effect or consultation on the decision of the council.
- Annual Report on the involvement of communities and community organisations in the affairs of the municipality.

Other part-time Councillors are expected to play a political role in representing residents and stakeholders representing the community structures.

Clr S J Maseko resigned as Councillor during the financial year and was replaced by Councillor M S Motshegoa.

Other part-time Councillors are Chairpersons of Section 70 Council Committees

The Council is constituted of the following Councillors:

COUNCIL



Speaker
Clr S A Sebolai



Chief Whip
Clr N G Matshitišo



Clr W L Botes



Clr N G Mojela



Clr S J Moropene



Clr G Ferreira



Clr M S Ledwaba



Clr A N Khanya



Clr R P Mashaba



Clr S D Sebelebele



Clr J Nel



Clr M S Olifant



Clr M F Marutha



Clr M P Nyamah



Clr M S Motshegoa



Mayor
Clr K E Lekalakala



Member of EXCO
Clr L W van Aswegen



Member of EXCO
Clr M P Kekana

Council comprises of the following Section 79 Committees:

1. Budget and Treasury Committee
2. Technical Services Committee
3. Planning and Economic Development
4. Social and Community Services Committee
5. Corporate Services Committee
6. Rules Committee
7. Municipal Public Account Committee
8. Audit Committee
9. Performance Audit Committee

1. Council Committee: Budget and Treasury

Chairperson
Clr W L Botes



Member
Clr L W van Aswegen



Member
Clr M P Nyamah



Member
Clr K E Lekalakala

2. Council Committee: Technical Services

Chairperson
Clr N J Mojela



Member
Clr S D Sebelebele



Member
Clr N G Matshitišo



Member
Clr S J Moropene

3. Council Committee: Planning and Economic Development

Chairperson
Vacant



Member
Clr N A Khanya



Member
Clr S A Sebolai

4. Council Committee: Social and Community Services

Chairperson
Clr M F Marutha



Member
Clr M P Kekana



Member
Clr M P Nyamah



Member
Clr M S Ledwaba

5. **Council Committee: Corporate Services**

Chairperson
Clr M S Olifant



Member
Clr J Nel



Member
Clr R P Mashaba



Member
Clr G Ferreira

The other committees of Council are constituted as follows:

6. **Rules Committee**

Clr S A Sebolai	-	Chairperson
Clr G Ferreira	-	Member
Clr M S Olifant	-	Member
Clr M P Nyamah	-	Member

7. **Municipal Public Accounts Committee**

Clr R P Mashaba	-	Chairperson
Clr J Nel	-	Member
Clr A N Khanya	-	Member
Clr S J Moropene	-	Member
Clr M S Ledwaba	-	Member
Clr S D Sebelebele	-	Member
Clr G Ferreira	-	Member

8. **Audit Committee and Performance Audit Committee**

Mr L Mphalele	-	Chairperson
Mr S Ramalepe	-	Member
Ms Nkomo	-	Member

Section 18(2) of the Local Municipal: Structures Act 118 of 1998 provides that a municipal council must meet at least quarterly.

The following **Ordinary Council** meetings scheduled in terms of the above legislation took place as follows:

18 September 2012	-	18 Councillors attended
4 December 2012	-	17 Councillors attended
28 February 2013	-	17 Councillors attended
30 May 2013	-	15 Councillors attended

A total of **11 Special Council meetings** took place:

17 August 2012	-	16 Councillors attended
4 September 2012	-	12 Councillors attended
24 January 2013	-	18 Councillors attended
4 January 2013	-	14 Councillors attended
14 February 2013	-	14 Councillors attended
27 March 2013	-	14 Councillors attended
9 April 2013	-	15 Councillors attended
23 April 2013	-	12 Councillors attended
6 May 2013	-	14 Councillors attended
24 May 2013	-	5 Councillors attended
30 May 2013	-	13 Councillors attended
28 June 2013	-	18 Councillors attended

Council has elected to hold Executive Committee meetings monthly. A schedule was agreed to in terms of Council resolution. This includes Special Executive Committee meetings to approve the draft budget and final budget.

Council take political decisions on matters that are delegated to it by legislation, and powers reserved for the Council by way of resolution. Examples of powers reserved for Council by legislation are, passing of by-laws, adoption of council's budget, imposition of rates, taxes, levies and duties, raising of loans and adoption of IDP.

Examples of powers reserved for Council by legislation are, power to approve any excess expenditure on the approved budget, power to approve policy documents, power to approve and amend the municipality's organizational and operational structure, delegating powers to Executive Committee and Municipal Manager etc.

The Executive Committee is delegated with certain powers by Council to take decision on its behalf. The Executive Committee meets monthly.

The Executive Committee decides on matters that are delegated to it by legislation i.e. Local Government: Municipal Structure Act of 1998 Section 49, 50 and 59 and Local Government: Municipal Systems Act of 2000 (Section 30, 39, 60 and 99)

A total of **16 Ordinary Executive Committee** meetings were held.

25 June 2012	-	3 Councillors attended
30 July 2012	-	3 Councillors attended
28 August 2012	-	3 Councillors attended
25 September 2012	-	3 Councillors attended
30 October 2012	-	3 Councillors attended
3 December 2012	-	3 Councillors attended
29 January 2013	-	3 Councillors attended
26 February 2013	-	3 Councillors attended
18 March 2013	-	3 Councillors attended
27 March 2013	-	3 Councillors attended
17 April 2013	-	3 Councillors attended
23 April 2013	-	3 Councillors attended
21 May 2013	-	3 Councillors attended
25 June 2013	-	3 Councillors attended

A total of **6 Special Executive Committee** meeting were held:

17 August 2012	-	3 Councillors attended
24 January 2013	-	3 Councillors attended
31 January 2013	-	3 Councillors attended
21 May 2013	-	3 Councillors attended
28 May 2013	-	3 Councillors attended
30 May 2013	-	3 Councillors attended
28 June 2013	-	3 Councillors attended

In the year under review one hundred and thirty five (135) Council resolutions were taken and forty eight (48) were completed (implemented and eighty seven (87) not fully implemented. (Town Planning resolutions are mostly in progress i.e. sub-divisions, rezonings, consolidations etc).

The Section 79 Council Committees:

1. Budget and Treasury Portfolio Committee
2. Technical Services Portfolio Committee
3. Planning and Economic Development Portfolio Committee
4. Social & Community Services Portfolio Committee
5. Corporate Services Portfolio Committee
6. Rules Committee
7. Municipal Public Account Committee
8. Audit Committee
9. Performance Audit Committee

POWERS, FUNCTIONS AND DUTIES OF AUDIT COMMITTEE

The Audit Committee's functions and duties in terms of the Local Government: Municipal Finance Management Act 56 of 2003 are:

- Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, the accounting officer and the management staff of the municipal entity.
- Review the Annual Financial Statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency, effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.
- Respond to the council on any issues raised by the Auditor General in the Audit Report.
- Carry out such investigations into the financial affairs of the municipality.
- Perform such other functions as may be prescribed

POWERS, FUNCTIONS AND DUTIES OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The MPAC is established in terms of the Guidelines for Establishment of Municipal Public Accounts Committee as published by the Department of National Treasury.

MPAC is established in terms of Section 79 of the Municipal Structures Act and performs on oversight function on behalf of Council.

The Committees functions are:

- To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the Annual Report.
- To promote good governance, transparency and accountability on use of municipal resources
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or Audit Committee
- To perform any other functions assigned to it through a resolution of Council within its responsibility

The Section 79 Council Committees met as follows:

Budget and Treasury Committee	-	meetings
Technical Services Committee	-	meetings
Planning and Economic Development	-	meetings
Social and Community Services Committee	-	meetings
Corporate Services Committee	-	meetings
Rules Committee	-	meetings
Municipal Public Account Committee	-	meetings
Audit Committee	-	meetings
Performance Audit Committee	-	meetings

The Administrative Division wishes to improve the administrative and the secretariat services to Council and its committees.

The division wishes to have an effective and efficient administrative support system to Council.

Political decision-taking

Examples of powers reserved for Council by legislation are, power to approve any excess expenditure, on the approved budget, power to approve policy document, power to approve and amend the municipality's organizational and operational structure, delegating powers to Executive Committee and Municipal Manager etc.

The Executive Committee is delegated with certain powers by council to take decision on its behalf. The Executive Committee meets monthly. The Executive Committee decides on matters that are delegated to it by legislation i.e. Local Government: Municipal Structures Act of 1998 Section 49, 50 and 59 and Local Government: Municipal Systems Act of 2000 (Section 30, 39, 60 and 99)

In the year under review, one hundred and thirty five (135) Council resolutions were taken and forty eight (48) were completed and 87 are not fully implemented (others are in progress especially Town Planning Division).

FUNCTIONS OF THE MAYOR:

- Preside over meetings of the Executive Committee.
- Performs the duties and functions prescribed by legislation, including any ceremonial functions and exercises the powers delegated to the Mayor by the Council or Executive Committee as reflected in the delegation policy of the MLM.
- Preside at Public Meetings and hearings called by the Executive Committee.
- Receive petitions on behalf of the municipality when requested to do so by petitioners.
- Ensure that the Executive Committee reports to council are adequate for facilitating the council's oversight functions in relations to committee and mayors.

FUNCTIONS OF THE SPEAKER

- Presides over meetings of Council; (chair of council meetings)
- Performs the duties and exercise the powers delegated to the Speaker in terms of Section 59 of the MSA; Local -Government Municipal Systems Act 32 of 2000.
- Ensure that Council meets at least quarterly.
- Maintain order during meetings;
- Ensure compliance in the Council and Council Committees with Code of Conduct set out in schedule 1 of MSA;
- Ensure that Council meetings are conducted in accordance with Rules and Orders of the council; and
- Provide support to councillors.
- Any function as per delegation register of MLM
- Establishment and functioning of Ward Committees

FUNCTIONS OF THE CHIEF WHIP

- Informs Councillors of Council and Executive Committees meetings called by the Speaker and Mayor respectively;
- Advises the Speaker and Mayor on the agenda of Council meetings;
- Advises the Speaker and the Mayor of urgent motions in writing prior to the commencement of the meeting;

- Ensure that political parties hold party caucuses prior to Council meetings to ensure smooth running of Council meetings;
- Assists the Speaker with counting of votes.
- Political management of Council meetings and committee meetings.
- Ensure that councilors motions are prepared and timeously table in turn of the procedural rules of council

T2.1.3

2.4 ADMINISTRATIVE GOVERNANCE

The Following Values and Principles govern the Municipal Administration:

- A high standard of professional ethics
- Efficient, economic and effective use of resources
- A development orientation
- Impartial, fair, equitable and unbiased services provision
- Responsiveness
- Public participation in policy making
- Accountability
- Transparency by providing the public with timely, accessible and accurate information
- Good human resource management and career development practices to maximize human potential.
- Representing with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad presentation.
- Legislation requires of the administration to be responsive to the needs of the local community.
- Facilitate a culture of public service and accountability amongst staff.
- Take measures to prevent corruption
- Establish clear relationship and facilitate co-operation and communication between it and local community
- Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive and;

- Inform the local community how the municipality is managed of the cost involved and the persons in charge .

A municipal administration must enable it to:

- Respond to the need of the community
- Facilitate a culture of public service and accountability amongst staff
- Be performance orientated
- Focus on the object and development duties of local government set out the constitution
- Align the roles and responsibility of its political structures, political office bearers, managers, and other employees with the priorities and objectives set out in the municipality's integrated development plan
- Assign clear responsibilities for the management and co-ordination of administrative units and mechanism
- Hold the municipal manager accountable for the overall performance of the administration
- Implement the lawful policies, resolutions and bylaws of the municipal council and the policies and laws of other sphere of government
- Advices the council and its structures
- Make administrative operational policies
- Managers operates and maintains the priorities of services in a sustainable and equitable manner
- Administrating the affairs of the municipality
- Manages the municipality's resources

TOP ADMINISTRATIVE STRUCTURE



ACTING MUNICIPAL MANAGER
(Mr M J Moagi)



MANAGER: TECHNICAL SERVICES
(Mr N Sikhwivhulu)



CHIEF FINANCIAL OFFICER
(Ms T M Mathabatha)



MANAGER: CORPORATE SERVICES
(Mr N J Moagi)



**ACTING MANAGER: SOCIAL
AND COMMUNITY SERVICES**
F Rehlamvu
(6 months)



A Claassens
(6 months)

The Section 79 Committees are constituted per number of municipal departments available. The Modimolle Municipality has five departments, namely, Budget and Treasury, Corporate Services, Technical Services, Social and Community Services and Planning and Economic Development.

Functions of the Municipal Manager:

- Advises the structures and functionaries of the Municipality
- Carries out the decision of the structures and functionaries of the Municipality
- Administers and implements the Municipality's by-laws, resolutions and policies
- Ensure that the Municipality complies with applicable Municipal Finance Management Legislation
- Implements National and Provincial legislation applicable to the Municipality

Functions of the Chief Financial Officer

- Manage Revenue Collections
- Manage Expenditure Controls
- Manage Budget Services
- Manage Supply Chain
- Asset Management

Functions of Corporate Services

- Render HR Management
- Provide legal advisory services
- Manage and maintain municipal administration
- Manage public participation
- Provide support to political office bearers
- Provide communication to the municipality
- Provide secretariat service to council and its committees

Functions of Technical Services

- Ensure adherence to Council Engineering standard
- Render Waste Management Services
- Provide Projected Management for implementation of infrastructure development
- Water and Waste Management
- Electrotechnical Management

- Town Planning

Function of IDP LED and LED

- Render Strategic Support Services
- Manage annual IDP reviews
- Institutionalize, manage, and monitor PMS
- Manage maintain and co-ordinate IGR
- Compile, manage and monitor SDBIP and
- Co-ordinates all reports relating to the above functions
- Render LED service
- Render land use and Town Planning Services and GIS

Functions Social and Community Services

- Renders environmental health services to the community
- Renders social services including Library, Sport, Art and Recreation, Disaster Management, Parks and Cemeteries
- Traffic Protection Services

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution S41.

Delete Directive note once comment is complete – Provide a brief overview of co-operative governance and intergovernmental relations for your municipality. Explain the various contributions to service delivery offered by those involved.

T 2.3.0

2.4 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

IDP Forum has improved; Presidential hotline and Premiers hotline issues and customer queries rose from Imbizo's / Exco – outreach are attended to and addressed.

The municipality participated in a number of provincial forums which included the IDP and PMS Provincial Forums, Premier's Mayors Forum. The IDP and PMS Forum are instrumental in the cascading and aligning the provincial programmes into the municipalities. Premiers, Mayors are a Strategic Forum which gives strategic direction of the municipalities in the Province.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE**PUBLIC MEETINGS**

Public participation unit is custodian of public meetings. The municipality has numerous types of public meetings, which includes Exco – outreach/Imbizo's IDP/PMS Forum, IDP consultations meetings, State of local municipal address,

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES**IDP/PMS FORUMS**

Two forums were planned for the year 2011/12, the first one was held onwere the municipality report on process plan. Sector departments and business communities presented their 2011/12 financial plans and programmes. The second IDP/PMS Rep Forum was held onfor further stakeholder consultation on IDP.

Delete Directive note once comment is complete – Explain how your municipal entities take decisions at the top and how they are held accountable to your municipality and your citizens for the quantity, quality and value for money of the services they deliver. Refer to policy development, coordination and monitoring arrangements used to support your entities. A complete list of entities and delegated functions should be set out in **Appendix D**.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

IDP/PMS public consultation

Numerous Public Consultation Road Shows led by the Mayor and Executive Committee members were held in the financial year under review. Different stakeholders including rate payers, church leaders, farmers, to name but few were consulted on the draft IDP and the performance report of the 2012/13 financial year.

The road shows were followed by ward based consultations which were done simultaneously in all wards in March 2013. Wards which are closer to each other were clustered into groups comprising of more than three wards.

The community made inputs which were considered when finalizing the IDP document . state of Local Municipal address is meant for the Mayor to present programmes and projects for the coming financial year as per approved IDP/Budget and also report progress of projects promised in the previous financial year.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Delete Directive note once comment is complete – Provide a brief comment on how your municipality carries out these responsibilities, improvements made during the year and benefits derived from these activities during the year.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The Communication Division plays a key role in improving relationships between the municipality and its stakeholders. The purpose of the division is to provide the municipality with a comprehensive communication and marketing strategy. To facilitate the participation of all officials and members of the community in good governance and economic development, through sound communication interventions

T2.4.1

WARD COMMITTEES

The Modimolle Local Municipality has established nine Ward Committees within its municipality jurisdiction in terms of 73 of the Local Government: Municipal Structures Act of 1998 (Act 117 of 1998) and Council's By-Laws on the establishment of Ward Committees.

Council has adopted a policy on Provision of Administrative Support to Ward Committees.

The By-Laws were reviewed and adopted in July 2012. The By-Laws deals primary with the establishment of committees.

The policy deals with administrative assistance which is afforded to Ward Committee Members in the form of facilitating programmes of Ward Committees, provision of venues for meetings, procurement of logistical resources and capacity building (training).

Ward Committee members receive an allowance of R1 000,00 on monthly basis and this is regulated in terms of the Policy on Out of Pocket Allowances.

An amount of R351 000,00 was spent in the year under review to facilitate the training of Ward Committees for a period of five (5) months.

The funds were used to provide transportation and catering during the training which was organized / co-ordinated by the Provincial Department of Co-operative, Human Settlement and Traditional Affairs.

Committees were given training on the following fields, namely:

<u>Subject</u>	<u>Date</u>
Ward Committee Induction	20 – 23 August 2012
Community Based Planning	3 – 5 September 2012
Community Diversity	18 September 2012
Meeting Procedures and Reporting	19 September 2012
Public Participation in Local Government	1 – 5 October 2012
Core Municipal Processes and Ward Committees Role (IDP, Budgeting, PMS & LED Service Delivery	5 – 9 November 2012
Project Management	3 -5 December 2012
Communication, facilitation & dealing with conflict	10-12 December 2012

WARD COMMITTEE FUNCTIONALITY – ESTABLISHMENT OF COMMITTEES
JULY 2012 – JUNE 2013

	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY	JUN
WARD 1	√	-	-	-	-	-	-	-	-	-	-	-
WARD 2	-	-	-	-	-	-	-	-	-	-	-	-
WARD 3	-	√	-	-	√	-	√	-	-	-	-	√
WARD 4	-	-	-	-	-	-	-	√	√	-	-	-
WARD 5	√	√	-	√	√	-	√	-	-	√	√	√
WARD 6	√	-	-	-	√	-	-	√	√	-	√	√
WARD 7	-	√	-	-	-	√	√	√	-	-	-	√
WARD 8	√	√	√	√	√	√	√	√	√	√	√	√
WARD 9	√	√	√	-	√	-	√	-	-	-	-	-

T2.4.2

Public Meetings

[illegible]

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Delete Directive note once comment is complete – Set out the key benefits for the municipality and the public from the above mentioned meetings.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of Municipal Systems Act 2000	
T2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Delete Directive note once comment is complete - Please explain the scope of corporate governance in brief

T2.6.0

2.6 RISK MANAGEMENT

Risk management is a valuable management tool which increases an Institution's prospects of success through minimizing negative outcomes and optimizing opportunities.

Institutions must implement and maintain effective, efficient and transparent systems of risk management and internal control, the intention being that the Institution should through the risk management process achieve, among other things, the following outcomes needed to underpin and enhance performance:

- (i) More sustainable and reliable delivery services;
- (ii) Informed decisions underpinned by appropriate rigor and analysis;
- (iii) Innovation;
- (iv) Reduced waste;
- (v) Prevention of fraud and corruption;
- (vi) Better value for money through more efficient use of resources; and
- (vii) Better outputs and outcomes through improved project and programme management.

The Accounting Officer is responsible for ensuring that the Institutional environment supports the effective functioning of Risk Management

The Institution's environment is the foundation of risk management, providing the underpinning culture, culture, discipline and structure that influence how strategy and objectives are established, how institutional activities are planned and executed and how risks are identified, assessed and acted upon.

Top 5 risks:

1. Low revenue base
2. Insufficient implementation of debt recovery strategy
3. Poor record management keeping
4. Outdated IT software system
5. Overspending of budget

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality has developed an anti-corruption and fraud policy. No corruption and fraud cases were reported for the financial year 2012/013.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed.

All the bidders are required to complete the MBD 4 form (aimed at getting a declaration from the bidder that s/he is not in the service of the state), MBD 8 (aimed at getting historical working relations between the client and the contractor/service provider with regard to the execution of past contracts) MBD 9 (aimed at restricting collusive bidding during tendering) and MBD 6 for Local Production and content.

The Supply Chain Management unit is also conducting a clearance of prospective bidders with National Treasury (restriction@treasury.gov.za) prior appointment of service providers/contractors to determine if they are not blacklisted/ restricted from doing business with the public sector and municipalities in particular). This is in compliance to the MFMA Circular No.46

Supply Chain Management practitioners, members of the bid committees and every municipal official are required to declare their financial interests on annual basis.

T2.8.1

2.9 BY-LAWS

There are no by-laws which were introduced, revised and published in the 2012/2013 financial year.

T2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2012/04/12
All current budget-related policies	Yes	2012/04/12
The previous annual report 2011/2012	Yes	2013/04/03
The annual report 2012/2013 published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2012/2013) and resulting scorecards	No	
All service delivery agreements 2012/2013	No	
All long-term borrowing contracts 2012/2013	Yes	28/6/2013
value) for 2012/2013	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	28/6/2013
2012/2013	No	
2012/2013	No	

T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Modimolle Municipality's website is functional and is hosted by SITA. The above states list reflects the level of compliance in terms of Section 75 of the MFMA.

Communication was regularly made with different departments within the municipality to provide information as required by legislation.

Public Library have been allocated with computers and internet to have access to the Modimolle municipal website by public.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

No Public Satisfactions levels been done during the 2012/2013 financial year.

T2.11.1

DRAFT

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

THIS PART IS STILL UNDER CONSTRUCTION

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The provision of Basic Services, specifically which included water, sanitation and electricity is rated as the top priority in the Modimolle Local Municipality. Also of importance is the creation of an enabling environment for job creation to assist government to realise the planned work opportunities. The following socio-economic challenges were identified within the Modimolle Local Municipality:

- ❖ Limited service provision at schools
- ❖ Unstructured development and land invasion by informal settlements
- ❖ Increase in unemployment rate due to eviction of farm workers
- ❖ Increase in housing backlog.
- ❖ Provision of basic services due to increased informal settlements

The identification of these challenges enabled a more focussed analysis of the every-day needs and problems facing the Modimolle community. The results show that there is a pressing need to address the above identified challenges.

The municipality provides water, sanitation, refuse collection and electricity services, with percentage access water 94.19%, sanitation 74.93%, refuse collection 90% and electricity 85.2%. Free basic services are provided according to the indigent policy subsidised by government which include 6kl of water per month, 75kWh electricity per month and refuse removal free of charge. Beneficiaries receiving free basic services are as follows: water 2 000 beneficiaries; electricity 2 143 beneficiaries, sanitation 77 and waste removal 212.

The municipality obtained Blue Drop certification in the 2012/2013 financial year had dropped from 95.01% to 73,96%.

T3.1.0

3.1. WATER PROVISION

Chapter 3

INTRODUCTION TO WATER PROVISION

Modimolle Local Municipality operates a water treatment plant abstracting water from the Donkerpoort dam (WSA). This scheme supplies water to Modimolle town and Phagameng.

Donkerpoort plant upgrade has been completed in the current year. The municipality also receives water from Magalies Water Board (WSP) to augment the supply in Modimolle. Our teams continue to replace the existing asbestos pipes with uPVC (2km of asbestos pipe has been replaced with uPVC during the year under review).

Mabatlane is supplied through the use of 8 boreholes, which are running 24 hours. There is a current shortage of 1.2ML/day. Mabaleng is supplied through the use of 4 boreholes but only 1 borehole running at a time, there other 3 boreholes needs to be tested and equipped.

The municipality's Blue Drop score for Modimolle system has dropped from 95,01% to 73,96% and Mabatlane from 34% to 31,78% and this was due to the failures that occurred on the system during of year under review. Mabaleng score have increased from 34% to 43,28%. The team is working tirelessly to ensure that the scores are improved.

Chapter 3

Municipality	Source	
	Surface Water	Ground Water
Modimolle Local Municipality	<ul style="list-style-type: none">• Donkerpoort Dam• Pipeline from Klipdrift Purification Works (Magalies Water)	<ul style="list-style-type: none">• Perdelaahte borehole in Modimolle• Mabaleng Borehole x1• Mabatlane Borehole x8

T3.1.1

Chapter 3

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2011/12					
2012/13					
					T3.1.2

Water Service Delivery Levels			
Description	2010/11	2011/12	Households 2012/13
	Actual No.	Actual No.	Actual No.
Water: (above min level)			
Piped water inside dwelling			8311
Piped water inside yard (but not in dwelling)			9692
Using public tap (within 200m from dwelling)			1700
Other water supply (within 200m)			800
<i>Minimum Service Level and Above sub-total</i>			20503
<i>Minimum Service Level and Above Percentage</i>			
Water: (below min level)			0
Using public tap (more than 200m from dwelling)			0
Other water supply (more than 200m from dwelling)			0
No water supply			0
<i>Below Minimum Service Level sub-total</i>			0
<i>Below Minimum Service Level Percentage</i>			0%
Total number of households*			
<i>* - To include informal settlements</i>			T 3.1.3

COMMENT ON WATER USE BY SECTOR:

Chapter 3

Delete Directive note once comment is complete - Comment on the above trends, and on more specific issues concerning water supply and demand as appropriate.

T3.1.2.2

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target as from IDP 2012/13 is as follows:

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
	Development of a water demand and conservation plan by June 2013, with the assistance of DWA	Embark on a water conservation campaign in our community's collaboration with Magalies Water Board, WDM and DWA	Approved WDCP by June 2013
Free Basic Water Services	To improve the livelihood of our community by ensuring that all communities of Modimolle has access to water	Review the Indigent Policy, ensure updating regularly Review and update the indigent register as guided by the Indigent Policy and through the assistance of CDWs Identify more water projects to be funded by MIG (Project listing)	An updated indigent register on quarterly basis A reviewed and approved revenue strategy

Chapter 3

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
All communities have access to clean water and decent sanitation	To improve the livelihood of our community by ensuring that all communities have access to clean water and decent sanitation by 2014	To determine the demand for water and sewer through verification of backlog water and sewer connections To develop a Water Service Management Plan to ensure that all communities have access to clean water	All communities have access to water and sanitation by 2014
Verification of municipal backlog	To establish a culture of proper and forward planning	To establish a municipal information/data base by June 2013 through the assistance of CDWs and temporary workers and strategic support by STATSSA and QTP	Data verification report by June 2013
Access to water and sanitation to community facilities	To ensure that all schools have access to water	Ensure that all households around schools have access to water by 2014 To begin bi-laterals with Department of Education on the water debt and develop a water management strategy	Access to water by June 2014
T3.1.6			

Chapter 3

The KPI performance was as follows:

Water Service Policy Objectives Taken From IDP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
		(*Previous Year) (iii)	(*Current Year) (iv)	(*Mid Year) (v)	(**Current Year) (vi)	(**Following Year) (vii)	(viii)	(ix)
Service Objective : Resource management of infrastructure and services\Water								
Number water samples taken for analysis y.t.d.			12.00	6.00	12.00		12.00	12.00
Number of water - borne cases investigated/ total Number of water - borne cases reported as Percentage			100.00	100.00	100.00		100.00	0.00
Number of water quality daily test conducted y.t.d.			360.00	180.00	360.00		360.00	360.00
Number of Water interruptions attended within 48 hrs/ Number of water interruptions reported			100.00	100.00	100.00		100.00	100.00
Number of new water connections installed within 7 days of application/Number of applications received as Percentage			100.00	100.00	100.00		100.00	100.00

Chapter 3

Number water pipe leaks/ pipe breaks fixed within 48 hours of reporting/ Number water pipe leaks/ pipe breaks reported as Percentage			100.00	100.00	100.00		100.00	100.00
Percentage of hydrants serviced per annum year to date (Number of hydrants serviced year to date / total Number of hydrants as Percentage			100.00	50.00	100.00		100.00	90.00
Percentage maintenance budget for water spent within the township and CBD (reticulation) (R-value budget allocated for water maintenance / R-value water maintenance projected y.t.d. budget spent) (include minor infrastructure maintenance)			100.00	100.00	100.00		100.00	100.00
Number pump stations serviced per month/ Number of pump stations scheduled for maintenance per month as Percentage			100.00	100.00	100.00		100.00	100.00
T3.1.6								

Chapter 3

Employees: Water Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	17	19	17	2	11%
19 - 20	0	0	0	0	0%
Total	23	25	23	2	8%
T3.1.7					

Financial Performance 2011/12: Water Services					
					R'000
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					

Chapter 3

T3.1.8

DRAFT

Chapter 3

Capital Expenditure 2012/13: Water Services					
Capital Projects	2012/13				
	Budget	Adjust - ment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7 274 000		6 254 000	-16%	
Upgrade Donkerpoort Water works	7 274 000		6 254 000	-16%	
					T3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The following was achieved during the 12/13 financial year in terms of water services as measured through the performance management system:

A total of twelve water samples were taken for testing during the course of the financial year as per the annual target.

- ❖ Daily tests on water quality were conducted throughout the course of the financial year.
- ❖ All (100%) water interruptions were attended to within 48 hours of being reported in the second half of the financial year.
- ❖ All (100%) new water connections were installed within seven (7) days of application.
- ❖ All water pipe leaks and breaks were fixed within 48 hours of being reported. All water hydrants were serviced during the course of the financial year, however, the third and fourth quarter not according to targets set.
- ❖ The entire maintenance budget allocated for water was spent within the township and CBD (reticulation and minor infrastructure maintenance).

Chapter 3

- ❖ All services were carried out on the pump stations as per the maintenance schedule in the second half of the financial year. No information was provided at mid-year however only 60% was achieved in the first quarter.

T3.1. 10

DRAFT

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

With regards to Waste Water Treatment, the municipality have a 3.5 Ml/d treatment works in Modimolle which phase 1 of the upgrade has been completed and phase 2 designs to increase the capacity of the treatment works of 6.5Ml/d have been completed.

Oxidation ponds are being used as a form of wastewater treatment in Vaalwater / Mabatlane to assist the oxidation ponds. Pit latrines are still being used from Alma/Mabaleng. A 0.5 Ml/day wastewater treatment package plant has also been installed to do away with the pit latrines.

We have a dedicated team of artisans, general workers, process controllers and assistants process controllers who make sure that we continuously serve our community with clean water at all times, treat the waste water from both the ponds and the plant to the required standards.

Challenges

- * Frequent pipes burst due to ageing infrastructure which leads to high overtimes and water quality complaints
- * Shortage of skilled personnel
- * Shortage of storage facilities for water both at Modimolle and Mabatlane / Vaalwater
- * Non-compliance to DWA regulations due to the discharge at both the waste water plant and the Oxidation ponds
- * More boreholes required for Mabatlane / Vaalwater
- * Development of water services Master Plan due to lack of funds
- * Theft and vandalism of the water services infrastructure
- * Shortage of vehicles
- * Limited Budget for operations and maintenance

T3.2.1

Chapter 3

DRAFT

Chapter 3

Service Levels-Sanitations facilities

Municipality	Flush Toilet (Connected to Sewer System)	Flush Toilet (with septic tank)	Pit Toilet with Ventilation	Other toilet provisions	Minimum service level and above sub-total
Modimolle Local Municipality	19 075	39	1 150	239	20 503

Municipality	Flush toilet connected to public sewerage system		Flush toilet connected septic tank		Bucket system		Ventilated improved pit latrine system		Other	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
MODIMOLLE LOCAL MUNICIPALITY	13 921	14 719	539	539	0	0	223	223	3 000	2 262

T3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
Description	2010/11	2011/12	2012/13	2012/13		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households ts below minimum service level						
Proportion of households ts below minimum service level						

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance Indicators 2012/2013. Sanitation strategies and targets have been dealt with together with water strategies and targets under the water section above.

The KPI performance was as follows:

Waste Water (Sanitation) Service Policy Objectives Taken From SDBIP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2010/11	2011/12
		(*Previous Year)	(*Current Year)	(*Mid Year)	(*Current Year)	(**Following Year)		
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective: Resource management of infrastructure and services\Sanitation								
Number of sewer disposal works monitored every week/ total Number of sewer disposal work monitored as Percentage		100.00	100.00	100.00	100.00		100.00	100.00
Number of sewer lines ridded per annum/ total number of sewer lines as Percentage		100.00	75.00	50.00	75.00		100.00	75.00
Number of new sewer connections installed within 7 working days/ Number of applications received as Percentage		100.00	100.00	100.00	100.00		100.00	100.00
Number of sewer lines replaced within 5 working days / Number of requests for sewer lines replacement received as Percentage		100.00	100.00	100.00	100.00		100.00	80.00
Number of sewer blockages attended to within 48 hours/ Number of sewer blockages reported as Percentage		100.00	100.00	100.00	100.00		100.00	100.00
							T3.2.6	

Chapter 3

Employees: Sanitation Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	20	20	20	0	0%
19 - 20	0	0	0	0	0%
Total	29	29	29	0	0%

T3.2.7

Financial Performance 2012/13: Sanitation Services					
R'000					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.2.8

Chapter 3

Capital Expenditure 2012/13: Sanitation Services					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 5 492 182.00		R 4 470 015.23	-23%	
Mabatlane Sewer reticulation network	R 5 100 000.00		R4 470 015.23	-14%	
Modimolle waste water treatment works	R 392 182.00		0.00		
					T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Vaalwater area is currently using oxidation ponds, but the ponds are over flowing which poses an environmental challenge, especially in rainy seasons, due to the close proximity to the Mokolo River ($\pm 10\text{m}$).

Alma presently has no waste water treatment plant. A total number of 480 hh in Alma and 400 in Vaalwater have a backlog respectively.

The estimated costs for the development of waste water treatment plant is approximately R33 million. Phase 1 of installing waste water mainlines in Mabatlane 210 HH will be connected. Phase 2 will start after Phase 1 is completed.

T3.2.10

Chapter 3

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Modimolle Local Municipality is an electricity service provider and currently has a total of 40MVA and one of 20MVA capacity to supply the community. Plans are underway to have the 20MVA transformer replaced with another 40MVA over the next few years.

The existing total load maximum is almost 18,45 MVA. The Vaalwater area has a transformer of 3MVA and currently uses 2,8MVA. Eskom provides communities with electricity.

The municipality has intentions to upgrade the internal capacity. DBSA has been approached with an application for a loan of ±R25million.

To be noted is that the municipality strives to develop programmes that seek to promote principles of green energy as encouraged to all consumers and suppliers through COP 17 South African 2011. The municipality has developed a Draft Strategy on Energy Efficiency. This project will be implemented at municipal level.

The following projects forms part of an internal part of Energy Efficiency Programme:

1. Solar geysers were installed at some RDP Houses
2. Retrofitting of other streetlights 125W with 70W HPS.

Other projects in progress:

1. Electrification of Phagameng Ext 10 – First phase completed November 2012
2. Electrification of Phagameng Ext 10 – Second Phase starts in July 2013.

T3.3.1

Chapter 3

Electricity Service Delivery Levels				
Description	2009/10	2010/11	2011/12	Households 2012/13
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)		6179	6188	7955
Electricity - prepaid (min.service level)		10695	10735	11922
<i>Minimum Service Level and Above sub-total</i>		16874	16923	19877
<i>Minimum Service Level and Above Percentage</i>		71.20%	71.4%	86.5%
Energy: (below minimum level)				
Electricity (< min.service level)		0	–	–
Electricity - prepaid (< min. service level)		0	–	–
Other energy sources		0	–	–
<i>Below Minimum Service Level sub-total</i>		0	–	
<i>Below Minimum Service Level Percentage</i>		0		
Total number of households		16874	16923	19877
<i>T 3.3.3</i>				

Households - Electricity Service Delivery Levels below the minimum						
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households						
Households below minimum						
Proportion of households below minimum service level						
Informal Settlements						3823.00
Total households						
Households below minimum						
Proportion of households below minimum service level						
<i>T 3.3.4</i>						

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance Indicators

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Access to free basic electricity	To improve the livelihood of our community	To provide electricity to all communities and enforce the indigent policy (providing 75kwh free to all indigents)	100% households have access to electricity
Provision of electricity to all communities by 2014	To improve the livelihood of our community	Provide electricity to all communities and encourage new big developments.	100% electric connections by 2014

[illegible]

Chapter 3

Financial Performance 2012/13 : Electricity Services					
R'000					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	61901460	82670630	85377161	77900259	27064
Expenditure:					
Employees	3433636	5007873	4977925	4274442	99
Repairs and Maintenance	1127750	1172139	1067718	1305047	1044
Other	19743264	1250000	1250000	1250000	0
Total Operational Expenditure	24304650	7430012	7315643	5745407	1144
Net Operational Expenditure	37596809	75240618	-78061518	-72154852	28209
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

Capital Expenditure 2012/13 : Electricity Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 2 381 024.00		R 2 381 024.00	0%	R 2 381 024.00
Phagameng Ext 7 street	R 595 256.00		R 595 256.00		R 595 256.00
Phagameng Ext 9 street	R 297 628.00		R 297 628.00	0%	R 297 628.00
Phagameng Ext 10 street	R 595 256.00		R 595 256.00	0%	R 595 256.00
Modimolle Town Street Light	R 297 628.00		R 297 628.00	0%	R 297 628.00
Mabatlane Ext 4 Street Light	R 595 256.00		R 595 256.00	0%	R 595 256.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The following was achieved as measured through the performance management system:

- ❖ Budget for maintenance and upgrading of street lights were spent.
- ❖ All electricity connections were provided within one month of application.
- ❖ Five projects: Phagameng Extension 7, 9 & 10, Modimolle town and Mabatlane Extension 4 street lights were completed.

T3.3.9

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

A municipality must ensure a safe and healthy environment for its residents. Modimolle Municipality is responsible for adequately maintaining its refuse removal service.

We must also maintain our refuse sites and solid waste disposal efforts. In an attempt to recover the costs of refuse removal the municipality instituted tariffs for refuse removal, disposal fees and other ad hoc services e.g. garden rubble removal.

At the end of 2012, waste collection services were provided to 6 865 households and informal settlements. A new landfill site should be established as a matter of urgency as the current landfill sites are overloaded and does not comply with legislation any more (situated next to settlements) Waterberg District Municipality must be engaged with to consider the establishment of a district wide landfill site. The MLM has two licensed landfill sites, one in Vaalwater and the other in Modimolle/Phagameng, with a total capacity of 320 000m³ and the total general waste collected is 840 000 m³.

Function: Waste Management,

Overview: Includes refuse removal, solid waste disposal and, street cleaning and recycling

Description of the Activity:

The refuse collection as the functions of the municipality is administered as follows and includes:

Waste Minimisation: Recycling, Composting, Collection and Transportation: Disposal and Pollution Control.

The jurisdiction area for collection is divided into section in Modimolle, Phagameng, Alma, Vaalwater and Leseding

The municipality has a mandate to:

To provide all households with a basic removal service to protect the environment for the benefits of future and present generations through legislative and other measures to prevent pollution and ecological degradation, promote conservation to secure sustainable development Including Alma, Modimolle, and Vaalwater and all residential stands, which are situated within the jurisdiction area of MLM.

The strategic objectives of this function are to:

- To provide all households with a basic removal service
- To protect the environment for the benefits of future and present generations
- To prevent pollution and ecological degradation (through legislative and other measures)

Chapter 3

- To promote conservation to secure sustainable development

Solid Waste Removal

The following backlogs exist within waste management:

- No recycling is taking place in our landfill side.
- Lack of refuse removal equipment and machinery e.g. refuse trucks

T3.4.1

Solid Waste Service Delivery Levels				
Description	2012/2013	2011/2012	2010/2011	Households 2012/2013
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	6865			6865
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above percentage</i>				
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level percentage</i>				
Total number of households	6865			6865
				T3.4.2

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2012/2013	2011/2012	2011/2010	2012/2013		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Formal Settlements						
Total households						
Households below minimum						
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households below minimum						2000
Proportion of households below minimum service level						
T 3.4.3						

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance Indicators

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Refuse removal: Cleanliness Development of new landfill sites and rehabilitation of existing sites	To ensure a healthy and clean environment	Development and implementation of Waste Removal Policy and Waste Removal Strategy	Ensure an ongoing process that focus on developing a healthy and clean environment Policy and strategy to be developed by 2013 Identification of new sites and to be complete by 2014. Rehabilitation of existing sites ongoing

Waste Management Service Policy Objectives Taken From SDBIP								
Service Objectives	Outline Service Targets	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
<i>Service Indicators</i>		(*Previous Year)	(*Current Year)	(*Mid Year)	(**Current Year)	(**Following Year)	(*Previous Year)	(*Current Year)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective: Promote the welfare of the community\Waste Management								
Number of Households receiving weekly waste removal services	Infrastructure not yet in place. Budget in next financial year		20 000.00	20 000.00	20 000.00		18 000.00	20 000.00
Number of cleaning inspections done per annum y.t.d.		48.00	24.00	12.00	24.00		48.00	48.00

Chapter 3

Employees: Solid Waste Magement Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	5	5	5	0	0%
16 - 18	31	31	31	1	3%
19 - 20	0	0	0	0	0%
Total	37	37	37	2	5%
T3.4.5					

Financial Performance Year 2012/2013 : Solid Waste Management Services					
R'000					
Details	2012/2013				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.4.7					

Financial Performance 2012/13: Solid Waste Management Services					
R'000					
Details	2011/2	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	

Chapter 3

Net Operational (Service) Expenditure	0	0	0	0
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.				
T3.4.7				

Capital Expenditure 2012/13: Waste Management Services R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA
T3.4.9					

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

The following was achieved as measured through the performance management system:

- ❖ The number of households receiving weekly waste removal services stood at 18 000 against the targeted 20 000. Services have as yet not been extended to all areas, as streets need to be graded to allow access.
- ❖ A total of 48 cleaning inspections were conducted during the course of the financial year as per the annual target.

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The municipality is characterised by townships, farms and informal settlements. The unemployment rate increased rapidly during the focus shift due to the increase in evicted farm workers. The increasing housing backlog in the municipality is a huge challenge. The current RDP housing backlog is approximately 4,500 units. Most of the housing structures are mainly built out of brick and cement and informal settlements are 100% tin houses. Most houses are formal structures with basic services. Some informal settlements in Modimolle have been formalised and receive basic services. The growth of informal settlements is increasing the housing demand, which has a direct impact on the provision of basic services. The municipality has developed a Housing Chapter which has to provide guide to the above mentioned situation. Housing is a provincial CoGHSTA competency, and as a result it is

Chapter 3

challenging for the municipality to develop short-term strategies to address housing challenges on the quality of houses provided.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2009/2010	560000	350000	62.5%
2010/2011	654000	450000	68.8%
2011/2012	654000	500000	76.5%
2012/2013	684000	540000	78.9%
T 3.5.2			

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target is as below:

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: ENSURE RESOURCE MANAGEMENT OF INFRASTRUCTURE AND SERVICES			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Housing	To improve the livelihood of our community by ensuring that all individuals have access to housing	Capacitate the housing unit and develop a Housing Integrated Plan that will indicate the demand and various factors contributing to the growth of the demand, strategies and projects to attend to all housing functions	Housing Chapter to be developed by July 2014/15, within IDP review framework
Housing	To uplift the standard of living of our communities by developing integrated human settlements	Through township establishment that is within a distance that communities can access employment nodes and community facilities	Alignment of LEGDP and LED strategy, SDF and other prescribed plans

Chapter 3

The KPI performance was as follows:

Housing Service Policy Objectives Taken From IDP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2011/12	2012/13	2013/14	2011/12	2012/13
		(*Previous Year)	(*Current Year)	(*Mid Year)	(*Current Year)	(*Following Year)	(*Previous Year)	(*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective								
NA	NA	NA	NA	NA	NA	NA	NA	NA
T3.5.3								

Employees: Housing Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	0	0%
T3.5.4					

Capital Expenditure 2012/13: Housing Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T3.5.6					

Chapter 3

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The municipality is encountering challenges in terms of addressing housing backlog due to:

- ❖ lack of well located, developable land for housing (most of the land which is well located and well suited is privately owned and insufficient for housing subsidies),
- ❖ under staffed town planning unit,
- ❖ Lengthy procedure in dissemination between Limpopo Provincial government and local authorities regarding housing matters,
- ❖ lack of housing integrated planning and development (housing will be constructed without road infrastructure and connection plans to the main bulk sewer line), and
- ❖ The municipal sewer treatment plant is operating above its capacity and threatening new developments.
- ❖ Renting and selling out of RDP Houses at early years by beneficiaries
- ❖ RDP which were allocated to minors whom are still under their parent support- which tends to increase a number of un-occupied RDP and vandalized structure within the jurisdiction.
- ❖ Illegal occupation of RDP houses.
- ❖ Selling of RDP structures
- ❖ Illegal allocation of RDP houses.
- ❖ Wrongful allocation of RDP houses to people not qualifying for RDP's
- ❖ Duplication of stands/ erf numbers when beneficiaries are registered

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Free Basic Services are the services that are provided by the municipality at no cost to the poor households as prescribed in the Indigent Policy.

The Municipality made provision of Free Basic Services such as Water, Electricity, and Sanitation according to the indigent policy subsidised by the government which include 6kl of water per month, 75kWh of Electricity per month from 2012/13 and Refuse Removal per month free of charge.

T3.6.1

Chapter 3

Number of consumer units in each province benefiting from indigent

Municipality Name	Indigent households identified by the municipalities		Beneficiaries							
			Water		Electricity		Sewerage and sanitation		Solid waste management	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
MODIMOLLE LOCAL MUNICIPALITY	5050	5050	5050	4404	2006	5050	5050	5050	5050	5050
T3.6.3										

Financial Performance 2012/2013: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/2013		2012/2013		
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water					
Waste Water (Sanitation)					
Electricity					
Waste Management (Solid Waste)					
Total		R 0.00	R 0.00	R 0.00	
T3.6.4					

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance Indicators

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: ENSURE RESOURCE MANAGEMENT OF INFRASTRUCTURE AND SERVICES			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Access to free basic electricity	To improve the livelihood of our community	To provide electricity to all communities and enforce the indigent policy (providing 75kwh free to all indigents	100% households have access to electricity including informal settlement by 2014

Chapter 3

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: ENSURE RESOURCE MANAGEMENT OF INFRASTRUCTURE AND SERVICES			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Free basic water services	To improve the livelihood of our community by ensuring that all communities of Modimolle have access to water	Review Indigent Policy, ensure updating regularly Review and update indigent register as guided by the Indigent Policy and through the assistance of CDW's Identify more water projects to be funded by MIG	An updated indigent register An reviewed and approved revenue strategy

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Indigent Policy was reviewed and approved by Council. The indigents receive 6kl of water and 75kwh of electricity, and quality for property rates and service charges for sewerage and refuse removal for free on a monthly basis.

At the end of 2012/2013 the municipality has registered 5050 households. For the 2012/2013 financial year 4 404 beneficiaries received free basic water, 2 006 beneficiaries received free basic electricity. 4 404 received sewerage and sanitation and 4404 beneficiaries received free basic waste removal.

T3.6.6

Chapter 3

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

Licensing is the only function under Transport.

LICENSING:

Challenges:

As known this function is a function that is been executed on an agency basis on behalf of the Limpopo Department of Roads and Transport. Being like that the support required from the department to execute these function and it is sad to say is below standard resulting in services requested by the community not being satisfied within a reasonable time frame.

Due to resignation and not availability of personnel and the recruitment process severe pressure were putted on remaining staff to execute their functions.

Achievements:

Even with the severe shortage of personnel this section continued to deliver services to the community.

The electronic learners license testing has been introduced in this municipality and is functioning satisfactorily enabling us to assist our community in obtaining drivers licenses.

It has to be mentioned that this system did initially had an effect on the pass rate.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The existing road infrastructure within MLM's jurisdiction comprise of both provincial, district and local roads. In general, the road network within the municipal area consists of gravel, concrete blocks and surfaced roads as summarised in Table 8.

The existing municipality road network comprises of a total of 186,4m. It is of particular importance that the bulk of the surfaced road network is still in a relatively good to fair condition ($\pm 85\%$) and subsequently, with appropriate and timeouts intervention, the integrity of the majority of the existing surface road network can be preserved.

Chapter 3

The following was achieved as measured through the performance management system:

- ❖ As per the annual target, a total of 4km of gravelled roads were upgraded.
- ❖ By the end of the financial year, a total of 29 000 square meters of potholes had been repaired, exceeding the annual target of 2 000m².
- ❖ All potholes reported by the community were fixed within two days.

T3.7.1

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2011/2012	105 000.00	0	0	105 000.00	
2012/2013	105248.60	0	0	105248.60	
					T 3.7.2

Replace the word "Tarred" with "Asphalt".

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
2011/2012	81 350	0	0	0	81 350	
2012/2013	81 354	0	0	0	81 354	
						T 3.7.3

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
2011/2012	1 300 000.00	0	1 300 000.00	54 000.00		1 354 000.00	
2012/2013	1 500 000.00	0	240 000.00	1 602 380.26		1 602 380.26	
							T 3.7.4

T3.7.5

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance Indicators

The KPA, Objective, strategy and target per KPI as per the IDP is as follows:

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: ENSURE RESOURCE MANAGEMENT OF INFRASTRUCTURE AND SERVICES			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Roads infrastructure development	To develop a road network to support the socio-economic development of the municipality	Implementation of the strategy through support and allocations of MIG, internal funding, MIG, Commercial funding and PPPs Adopt and implement the Road Master Plan Maintenance and rehabilitation of roads and storm water drainage	Implementation plan for 2012/13 to be completed in June 2013/14 and quarterly progress reports Reviewed/Approved Road Master Plan 2013/14

Chapter 3

The KPI performance was as follows:

Road Service Policy Objectives Taken From SDBIP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12 (*Previous Year) (iii)	2012/13 (*Current Year) (iv)	2012/13 (*Mid Year) (v)	2012/13 (**Current Year) (vi)	2013/14 (**Following Year) (vii)	2011/12 (*Previous Year) (viii)	2012/13 (*Current Year) (ix)
		Service Objective Resource management of infrastructure and services\Roads & Storm water						
R-value spent on maintenance and upgrading of street lighting y.t.d.		1 500 000.00		750 000.00			1 300 000.00	1 500 000.00
Km of gravelled roads upgraded		.8	.8	0	0	4.50	0	0
m2 of potholes repaired y.t.d.		1 500.00	2 000.00	1 000.00	2 000.00		2000.00	2 000.00
Number of potholes reported by the community fixed within 2-days/ total Number of potholes reported by the community as Percentage		100	100.00	100.00	100.00	100	80.00	100.00
Total meters of storm water pipes installed	Had challenges with the service provider		100.00	198.00	100.00		108.00	100.00
T3.7.6								

DRAFT

Chapter 3

Employees: Road Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	6	7	7	1	14%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	21	22	21	1	5%
19 - 20	0	0	0	0	0%
Total	33	35	34	2	6%
T3.7.7					

Financial Performance 2012/13: Road Services					
R'000					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	R1 500 000.00	R1 500 000.00	240 000.00	1 602 380.26	107%
Net Operational (Service) Expenditure	R1 500 000.00	R1 500 000.00	240 000.00	1 602 380.26	107%
T3.7.8					

Chapter 3

Capital Expenditure 2012/13: Road Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R3 709 000.00		R5 128 274.00	28%	
Phagameng Street and Stormwater	R3 019 356.00		R2979921.88	1%	
Modimolle Paving Street	R1 712 878.00		R1 703 966.17	.5%	
Paving of Freedom Park	R2 800 000.00	R500 000.00	R2 875 455.96	13%	
Mabatlane Paving of street	R2 800 000.00		R 2775 499.27	0%	
					T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

For practical purposes and based on the visual assessment of the soil conditions of the site, it is recommended that block paving must be considered for the upgrading of all gravel roads to surfaced standards. This is deemed to be the most cost-effective technical solution for various reasons, refer to (Modimolle Road Master Plan):

- ❖ The Stormwater budget is combined with the roads budget, since we did not have any Stormwater projects no budget will reflect because everything is recorded under roads maintenance
- ❖ Low expected traffic on most of these roads,
- ❖ Can be constructed by means of labour intensive methods, and
- ❖ Low maintenance.

T3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO PUBLIC TRANSPORT

The municipality does not provide public transport. We only provide facilities such as taxi ranks, bus stops.

Transport services are provided through private taxis and busses.

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL

No capital Projects were executed under Transport.

The only function provided was licensing.

T3.8.6

Chapter 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

This is an EPWP project.

T3.9.1

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2009/10				
2010/11				
2011/12				
				T3.9.2

Cost of Construction/Maintenance			
	Stormwater Measures		
	New	Upgraded	Maintained
2009/10			
2010/11			
2011/12			
			T3.9.3

T3.9.4

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance as per the IDP is as follows:

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: ENSURE RESOURCE MANAGEMENT OF INFRASTRUCTURE AND SERVICES			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Storm water drainage	To develop infrastructure to minimize potential disasters and create a habitable environment	To develop bottom storm water drainage cost effective purposes and unsure minimal floods	Development of storm water drainage 10km by 2012/13

KPI performance was as follows:

[illegible]

Chapter 3

cOMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

By the end of the financial year, the following was measured as through the performance management system:

- ❖ Only 50m of storm water pipes had been installed, being well under the annual target of 100m.

T3.9.9

DRAFT

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business, private and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

Local Economic Development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance.

In order for Local Economic Development (LED) to be effective, a community needs to identify and consider its own economic strengths, weaknesses, opportunities and threats, and agree a shared strategy.

The practice of local economic development can be undertaken at different geographic scales.

A Local Government pursues LED strategies for the benefit of its jurisdiction, and individual communities and areas within a local government's jurisdiction can also pursue LED strategies to improve their economic competitiveness. Such approaches are most successful if pursued in partnership with local government strategies.

LED is thus about community continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include:

Chapter 3

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises;
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups.

Modimolle has an approved 2009 LED Strategy. The strategy has indicated that Modimolle Local Municipality has a Tress Index of 51.7 %, which it is a clear indication that the economy is neither diversified nor concentrated. The economy is reliant on more than one sector and thus not vulnerable to external impacts. Agricultural Sector is the most comparative sector with a high local quotient. This implies that the sector is serving needs beyond the sector, exporting goods and services from this sector.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

Municipal Planning involves the compilation and implementation of an integrated development plan in terms of the Municipal Systems act. This is the responsibility of the IDP Unit, which use to be situated in the Municipal Manager's office, but moved to the new department of Planning and Economic Development. The purpose of Integrated Development Planning is to foster more appropriate delivery of services and to provide a framework for economic and social development in a municipality. A range of links exist between Integrated Development Planning and its developmental outcomes (e.g. financial viability of municipalities, urgency of service delivery and employment generation). Integrated Development Planning can contribute towards eradicating the development

Chapter 3

legacy of the past, making the notion of developmental local government work and fostering co-operative governance.

T3.10.1

DRAFT

Chapter 3

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013
Planning application received	1	2	11	15	168	158
Determination made in year of	0	0	9	11	151	123
Determination made in followi	1	0	0	0	0	0
Applications withdrawn	0	0	1	1	0	0
Applications outstanding at ye	0	2	1	3	17	35
						<i>T 3.10.2</i>

Chapter 3

Planning Policy Objectives Taken From SDBIP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2010/11	2011/12	2011/12	2011/12	2012/13	2010/11	2011/12
		(*Previous Year) (iii)	(*Current Year) (iv)	(*Mid Year) (v)	(**Current Year) (vi)	(**Following Year) (vii)	(*Previous Year) (viii)	(*Current Year) (ix)
Service Objective: Spatial and Town Planning								
Number development projects for FY 2011/2012 taking place in the municipality growth points/nodal points/Number of development projects planned for FY 2011/2012 as Percentage	Dependent of provincial department	100.00	100.00	100.00	100.00		98.00	0.00
Number land use application processed within 6 months / Total number of land use applications received as Percentage		100.00	100.00	100.00	100.00		25.00	75.00
Number of illegal use addressed / Number of illegal land use identified as Percentage		60.00	100.00	60.00	100.00		60.00	100.00
Percentage applications for township establishment processed within 9 months	Only one approved by Council and there are two outstanding	100.00	100.00	100.00	100.00		25.00	50.00
Percentage applications for rezoning processed within 6 months	No applications received	100.00	100.00	100.00	100.00		25.00	0.00

Chapter 3

Percentage of consent use applications processed within 6 months of application	Only two submitted and only one approved	100.00	100.00	100.00	100.00		55.00	50.00
Percentage of applications for subdivisions in proclaimed townships processed within 6 months of application		100.00	100.00	100.00	100.00		55.00	100.00
Percentage of applications for consolidations processed within 6 months of application	Received three and finalised one - delays attributed to processes in circulation	100.00	100.00	100.00	100.00		55.00	33.00
T3.10.3								

Chapter 3

Employees: Planning Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	2	2	2	2	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	0	0%

T3.10.4

Financial Performance 2012/13: Planning Services					
					R'000
Details	2012/13	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					

Chapter 3

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.10.5

Capital Expenditure 2012/13: Planning Services					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA

T3.10.6

Chapter 3

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The following was achieved as measured through the performance management system:

- ❖ The draft IDP was tabled to Council by the end of March as scheduled.
- ❖ The final IDP was adopted by Council by the end of May as scheduled.

The following for building control was reported as measured through the performance management system:

- ❖ All (100%) building inspections were conducted within four days of an application being received.
- ❖ All (100%) foundation inspections were conducted within four days after request
- ❖ All (100%) landuse applications were processed within eight months
- ❖ All illegal landuse were addressed
- ❖ All applications for subdivisions were processed within six months

T3.10.7

Chapter 3

DRAFT

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Modimolle has an approved LED Strategy 2009. The LED Strategy will provide focus in terms of economic growth and development; its purpose is to provide the municipality with an economic analysis of the municipality; indicating potential economic sectors and competitive sectors. It identifies resources within the municipality and provides strategies on how to optimally utilise them.

The LED strategy utilised four thrusts in order to achieve its objectives of job creation, economic diversification, linkage development and improved business environment. The four thrusts for which indicators have been developed are as follows:

Thrust 1: Tourism Development, Support and Integration

Thrust 2: SMME Development and Support

Thrust3: Agriculture Beneficiation, Expansion and Integration

Thrust 4: Human Resource Development

The strategy has indicated that Modimolle Local Municipality has a Tress Index of 51.7 %, which it is a clear indication that the economy is neither diversified nor concentrated. The economy is reliant on more than one sector and thus not vulnerable to external impacts. Agricultural Sector is the most comparative sector with a high local quotient. This implies that the sector is serving needs beyond the sector, exporting goods and services from this sector. Mining, Utilities and Government Services have a low local quotient, this implies that local needs are not being met by residents sector, the municipality is importing goods and services in this sectors.

T3.11.1

Chapter 3

Economic Activity by Sector			
			R '000
Sector	2010/11	2011/12	2012/13
Agric, forestry and fishing	0.58	0.58	0.58
Mining and quarrying	0.18	0.18	0.18
Manufacturing	2.41	2.41	2.41
Wholesale and retail trade	1.28	1.28	1.28
Finance, property, etc.	1.80	1.80	1.80
Govt, community and social services	0.55	0.55	0.55
Electricity & Water	0.35	0.35	0.35
Total			
			T3.11.2

Economic Employment by Sector			
			Jobs
Sector	2010/11 No.	2011/12 No.	2012/13 No.
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			
			T3.11.3

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

SMME development and support systems are critical important aspects of local economic development due to this sector's ability to create employment. This Thrust's main focus is the establishment and expansion. It is important that local businesses are supported in their development and growth and that the development of new SMMEs is stimulated. Many local businesses experience constraining factors such as a lack of business and financial management skills.

The Municipality should, therefore, provide support to emerging SMME's as well as in the provision of skills training. In this respect, a number of organizations, both on provincial and national level, have been established to support small businesses. These organizations are not currently sufficiently represented in Modimolle Municipality and the establishment of local offices of these support services should, therefore, be encouraged and facilitated, if not already. Local businesses should also be supported through mentorship programmes, whereby practical knowledge can be transferred from experienced business owners to entrepreneurs.

Support should also be given to small local businesses in gaining access to capital and financial sources. The sustainability and growth of many small businesses in Modimolle n of SMMEs in the Modimolle area. The focus areas of this programme are thus on:

- Ensuring that existing SMMEs and micro enterprises become sustainable through the provision of financial support and the provision of skills development.
- Creating a business friendly environment for the establishment of new SMMEs, and
- Creating a structure through which local authorities can facilitate SMME development and provide sustainable information and support.

MODI-MALL

- Area of the building with both phases completed – 18 000 sq. meters.
- Development to be done in two phases – Phase one to open in October 2013
- Anchor Tenant – Checkers Blue line

Chapter 3

- Confirmed rented areas
- Approximate number of permanent jobs to be created after phase two of the development has been finalized: 2000

T3.11.4

Job creation through EPWP* projects		
Year	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2012/2013	74/1/630	Phagameng Street Phase 4
	74/1/629	Modimolle Paving of Streets
	74/1/627	Mabatlane Ext 4 Paving of Ring
	74/1/613	Road Intersection of Joe Slovo and Limpopo Streets
	74/1/610	Mabaleng Sewer Package Plant
	74/1/609	Phagameng Ext 11 Water Reticulation
* - Extended Public Works Programme		T3.11.6

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target as per the IDP follows:

MUNICIPAL KPA 2: LOCAL ECONOMIC DEVELOPMENT			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE AND ENCOURAGE SUSTAINABLE GROWTH			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Mining	<p>To support the implementation of the mining charter requirements</p> <p>To ensure that mining undertake their social responsibilities</p> <p>To ensure that future spatial and infrastructure development takes cognizance of the impact of existing mining operations</p> <p>Ensure that public sector investment is critical in infrastructure development</p>	<p>To establish lines of communication between the DME and the municipality to ensure that all mining activities within the MLM jurisdiction develop social responsibility plans</p>	<p>Coordination of Social responsibility programmes by July 2013</p>
Capacity building and skills development	<p>To develop a self sustainable economy</p> <p>To encourage the culture of entrepreneurship</p>	<p>To create a database of SMME and private companies</p> <p>To encourage partnership between SMMEs and private business for the purpose of transfer of skills</p>	<p>Achieve the vision of the municipality by 2012/13</p>
Infrastructure	<p>To encourage economic growth through infrastructure development; and be in a competitive position to attract businesses by developing adequate infrastructure</p>	<p>To develop corridors for better accessibility to the tourism spots and map in such a way that they encourage development</p>	<p>LED strategy launch June 2013, SDF, Road Master Plan, By-laws and other prescribed plans</p>
Marketing and promotion	<p>To ensure business growth by attracting tourists and business investors</p>	<p>To develop a marketing strategy</p>	<p>Approved Marketing strategy by December 2012</p>

Chapter 3

DRAFT

Chapter 3

KPI performance was as follows:

Local Economic Development Policy Objectives Taken From SDBIP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
		(*Previous Year)	(*Current Year)	(*Mid Year)	(*Current Year)	(*Following Year)	(*Previous Year)	(*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective: Promote and encourage sustainable economic development\LED								
Number of commercial Centres built year to date	Only 1 has been completed and rest are work in progress.	NA	3.00	3.00	3.00		0.00	1.00
Number of LED forum meeting held successfully		10.00	10.00	5.00	10.00		100.00	10.00
Number meetings with hawkers forums per annum y.t.d.		4.00	4.00	2.00	4.00		4.00	4.00
Number meetings with business forums per annum	POE available	2.00	2.00	1.00	2.00		2.00	5.00
Number cultural tourism sites supported with training		1.00	1.00		1.00		1.00	5.00
Total Number of SMME support workshops per annum y.t.d.	Could not be held due to clash of various meetings	10.00	10.00	4.00	10.00		3.00	2.00

Chapter 3

Employees: Local Economic Development Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	6	6	0	0%

T3.11.8

Financial Performance 2012/13: Local Economic Development Services					
R'000					
Details	2012/13	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					

T3.11.9

Capital Expenditure 2012/13: Economic Development Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.11.10

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Economic growth has direct implications to formal employment levels. While informal or second economy employment, also plays an important role in providing access to household income. The second economy is characterized by high unemployment and lack of skills mainly among the youth, women and people with disabilities. We have 202 registered informal traders or hawkers. Most of them are selling vegetables, sunglasses, belts, hats, earrings and watches. Data is currently unavailable for the contribution of this sector or economy.

The municipality is currently in the process of formalizing this sector to a level where the formal and informal business can co-exist and support each other. The current Municipal By-Laws on Street Trading reviewed in 2009 and read with By-Laws approved in 2006 require a hawker to be 2 meters away from the pavement and shops. Our pavements in town are about 3 metres from the shop to the road; therefore do not allow hawkers to operate in town.

The municipality has a responsibility to support Local Economic Development including the businesses in the second economy. The market stalls in Mabatlane are awaiting occupation of the beneficiaries. The Market stalls in Modimolle Taxi rank had been completed and the process of occupation has commenced in July 2010 but delayed due to understaffed unit of law enforcement in Department: Community and Social Services.

Hawkers in Modimolle town have been provided with permits to operate in town for the duration from July 2012- June 2013. It is challenging to regulate the activity since the project of development of market stalls is still outstanding. The Mabatlane and Modimolle hawkers have established committees, which is a communication body between the hawkers and municipality.

The EPWP is a programme that cuts across all departments and spheres of government. Under the EPWP, all government bodies and parastatals are required to make a systemic effort to target the unskilled unemployment. They must formulate plans for utilizing their budgets so as to draw significant numbers of the unemployment into productive work in such a way that workers gain skills while they work so increasing their chances of getting out of the marginalized pool of unemployed people.

Over the years Modimolle Local Municipality has been implementing projects through labour intensive methods aligned to the Extended Public Works Programme (EPWP). The EPWP involves creating temporary work opportunities for the unemployed, using public sector expenditure. It builds on existing best-practice government infrastructure and social programmes either by depending their labour absorption or extending them, Local Economic Development – Agricultural Activities.

Chapter 3

LED CHALLENGES

- LED concept not clearly understood by participants.
- Limited Community Involvement.
- Inadequate education and training.
- Inadequate budget for LED projects and programmes.
- No Business Attraction, Retention and Investment Policy.
- Lack of municipal land for LED Projects in Mabatlane.
- Lack of capacity of municipal infrastructure to support LED.
- Lack of integration of implementation of LED Projects in the municipality by government departments.

T3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality has a variety of community facilities namely:

- ❖ 6 municipal halls,
- ❖ 25 sport facilities (30,696 households are located within a 2 km radius),
- ❖ 4 clinics,
- ❖ 2 hospitals, and
- ❖ 4 mobile clinics (Operating in the North and South of Modimolle.)

The department for Community services is responsible for supplying community and social services as indicated below:

- ❖ Trading regulations
- ❖ Billboards and the display of advertisements in public places
- ❖ Control of public nuisance
- ❖ Control of undertaking that sell liquor to the public
- ❖ Fencing and fences
- ❖ Noise pollution
- ❖ Street trading
- ❖ Traffic and parking
- ❖ Cemeteries and crematoria
- ❖ Fire-Fighting services
- ❖ Safety and security

T3.12.0

Chapter 3

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

A total of six libraries are located within MLM. Upgrading and expansion of the libraries are needed. An increase in secondary schools can cause an increase in the usage of the libraries. The following was achieved as measured through the performance management system:

Libraries

- ❖ All (100%) queries raised in the library were addressed 88% of books were returned within 14 days. The challenge exist that clients do not return books on time and penalties is to be instituted.
- ❖ Large Print books were purchased in the 2012/2013 financial year.
- ❖ Air conditioners were secured for installation

Community Facilities

- ❖ The budget for maintenance and rehabilitation of community facilities was spend by the end of the financial year.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Municipal Libraries, 2012/2013

Area	Type of Facility	# People serviced
Modimolle Town	Main Library	16 629
Phagameng	Branch Library	982
Kokanje	Branch Library	5 401
Abraham Kriel Children`s home	Book Deposit	889
Vaalwater	Library	9 877

T3.12.2

The KPI performance was as follows:

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From SDBIP								
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
		(*Previous Year) (iii)	(*Current Year) (iv)	(*Mid Year) (v)	(*Current Year) (vi)	(*Following Year) (vii)	(*Previous Year) (viii)	(*Current Year) (ix)
Service Objective: Promote the welfare of the community\ Libraries								
Number of queries raised in the library addressed/ total number of queries raised as Percentage		100.00	100.00	100.00	100.00		100.00	100.00
Percentage of books returned within 14 days	Some clients could not be traced further due to change in addresses	100.00	98.00	50.00	98.00		89.00	98.00
T3.12.3								

Chapter 3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%
10 - 12	7	7	7	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	13	13	13	0	0%

T.3.12.4

Financial Performance 2012/13: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	2012/13	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational (Service) Expenditure					

Chapter 3

Capital Expenditure 2011/12: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
	N/A	N/A	N/A	N/A	N/A
T3.12.6					

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

There is a need for office space, new roof for library in Modimolle, need for new library building in Vaalwater and Phahameng.

The halls are leased to private and government institutions. Halls are a source of revenue with least contribution to revenue.

T3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES & CREMATORIUMS

Chapter 3

There are 6 Cemeteries, only two are operational, and two were closed due to high water table (Phagameng& Leseding). There is a need to identify new sites.

Currently the management of all the cemeteries is operating with 3 permanent staff and 2 casuals. There is also a need for an electronic system for grave registration. There is no official cemetery in Mabaleng. The two Cemeteries that are in operation will reach their capacity in two years' time.

The following was achieved as measured through the performance management system:

Cemeteries

- ❖ All (6/6) cemeteries were maintained on a monthly basis as per the annual target.

T3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

T3.13.2

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target as per IDP follows:

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET

Chapter 3

MUNICIPAL KPA 1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY			
STRATEGIC MUNICIPAL OBJECTIVE: PROMOTE THE WELFARE OF THE COMMUNITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Cemetery: Establishment of new cemetery sites and upgrading of existing sites	To ensure a healthy and clean environment	Develop and implementation of Waste Removal Policy and Waste Removal Strategy	Identification of land for new sites and to be completed by 2014; source funding to upgrade existing sites

Chapter 3

KPI performance was as follows:

Cemeteries and Crematoriums Policy Objectives Taken From SDBIP								
Service Objectives 								

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	4	4	4	1	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	1	20%

T3.13.4

Financial Performance Year 2012/2013 : Cemeteries and Crematoriums					
R'000					
Details	2012/2013	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T3.13.5

Capital Expenditure Year 2012/2013: Cemeteries and Crematoriums					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value
Total All					
	N/A	N/A	N/A	N/A	N/A

T3.13.6

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS F OVERALL:

Only one KPI was measured through the performance management system. All of the cemeteries were maintained on a monthly basis as per the previous financial year.

T3.13.7

Chapter 3

COMPONENT F: HEALTH

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Delete Directive note once comment is complete – Provide brief introductory comments.

T3.20.0

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services are conducted on a service level agreement with Waterberg District Municipality.

The section has only 6 permanent fire fighters and 8 volunteers, with no supervisors.

Any requests or inputs to improve the service are directed to Waterberg District municipality.

Chapter 3

Employees: Fire Services					
Job Level	2012/2013	2012/2013			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	6	6	6	6	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	6	6	6	100%
					T3.21.4

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

No sport and recreation during 2012/2013 financial year.

T3.23.0

Chapter 3

Employees: Sport and Recreation					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	0%
10 - 12	5	5	5	0	0%
13 - 15	0	0	0	0	0%
16 - 18	7	7	7	0	0%
19 - 20	0	0	0	0	0%
Total	15	15	15	0	0%
					T3.23.3

Financial Performance 2011/12: Sport and Recreation					
					R'000
Details	2010/11	2011/12			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.23.4

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES,

The Corporate Service regulates the general administration of the institution which includes the management of records and archives, distribution and receiving of correspondence for the institution as a whole.

It further provides legal support to Council, its Committees and management. It also co-ordinates and manage contracts for the entire organisation.

The Corporate Services regulates its mandate through the following policies namely:

- (i) Policy on Expenditure of Mayoral Programmes and Activities
- (ii) Cellphone Policy
- (iii) Policy on catering
- (iv) Correspondence Policy
- (v) Administrative Support to Ward Committees
- (vi) Policy on Council Vehicles
- (vii) Policy on Management and Administration of Municipal Property
- (viii) Sexual Harassment
- (ix) Municipal Dress Policy
- (x) Council Policy on spaza's, taverns, shebeens, containers and any other micro business on residential stands

CORPORATE POLICY OFFICES AND OTHER SERVICES

Finance Policies

The Finance or Budget and Treasury regulate the financial management of institution and ensure and promote sound financial management.

The Budget and Treasury regulate this mandate through the following policies, namely:

- (i) Policy on Debt Collection and Credit Control
- (ii) Virement Policy
- (iii) Supply Chain Management Policy

Chapter 3

(iv) Policy on Motor Vehicle Allowance Scheme

(v) Investment Management Policy

(vi) Asset Management Policy

(vii) Indigent Policy

(viii) Fraud Prevention Policy

(ix) Provision for Bad Debt Policy

(x) Travelling Policy

(xi) Rates Policy

(xii) Policy of Fixed Asset Accounting

(xiii) Petty Cash policy

The policies are reviewed annually and are approved with the Budget at the end of May.

T3.24.0

Chapter 3

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Committee includes the Mayor and two council committee members. All the PMS items must be submitted, to the executive council, for advice and approval. Council consists of all ward committees and portfolio council. The council will ensure that a political manifesto is being adhered to approve the PMS.

T3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T3.24.2

Chapter 3

KPI performance follows:

The Executive and Council Policy Objectives Taken From SDBIP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12 (*Previous Year) (iii)	2011/12 (*Current Year) (iv)	2011/12 (*Mid Year) (v)	2011/12 (*Current Year) (vi)	2012/13 (*Following Year) (vii)	2010/11 (*Previous Year) (viii)	2012/13 (*Current Year) (ix)
Service Objective: Development and Implementation of policies\Administration								
Percentage council Agendas issued 3 days before the meeting / Number of Council meetings as Percentage	With exception to Special Council meetings		80.00	70.00	80.00		90.00	80.00
Number of councillors trained			0.00	NA	0.00		0.00	0.00
Service Objective: Development and Implementation of policies\Administration								
Number functional ward committees			9.00	9.00	9.00		8.00	9.00
Number ward committee members trained			18.00	NA	18.00		10.00	0
T3.24.3								

Chapter 3

Employees: The Executive and Council					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
T3.24.4					

Financial Performance 2012/13: The Executive and Council					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T3.24.5					

Chapter 3

Capital Expenditure 2011/12: The Executive and Council					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustmen t Budget	Actual Expenditur e	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.24.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The following has been achieved as measured through the performance management system:

T3.24.7

Chapter 3

3.24 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

MFMA provides an environment which ensures sound and sustainable management of the financial affairs of a municipality and establishes treasury norms and standards for the local spheres of government.

Asset Management:

- ❖ The asset register is fully (100%) GRAP compliant.
- ❖ All (100%) assets are insured as approved by the Chief Financial Officer.
- ❖ As per the annual target, the asset register has been updated on a monthly basis (12/12).
- ❖ All (100%) claims received during the course of the financial year were submitted to the insurance broker within seven days from receipt of all the relevant documentation.
- ❖ All required meetings were held with the insurance broker during the course of the year.

Budget Management:

- ❖ The adjustment budget for the 2012/2013 financial year was tabled to Council and adopted in the third quarter as planned.
- ❖ The draft budget for the 2013/2014 financial year was tabled to Council within timeframe
- ❖ The final budget for the 2012/2014 financial year was adopted within timeframe

Expenditure Management:

- ❖ All (100%) statutory payments were made within the prescribed timeframes.
- ❖ All (100%) salary transfers were made within the determined timeframes.
- ❖ Project expenditure correlated fully (100%) with progress made on the projects, however capital expenditure against projected target is reflected as 55%
- ❖ A total of 81% of debtor's accounts had been outstanding for longer than 90 days by the end of the financial year.

Financial Reporting:

- ❖ The financial statements for the 2011/2012 financial year were submitted to the Auditor General by the 31st of August 2012 as per legislative timeframes.
- ❖ Financial statements were submitted to NERSA by end October 2012
- ❖ All (12/12) of the monthly Finance Management Grant reports were submitted within ten working days following month end.
- ❖ All (12/12) of the monthly Municipal Systems Improvement Grant reports were submitted within ten working days following month end.
- ❖ All (12/12) of the monthly Municipal Infrastructure Grant Reports were submitted within ten working days after month end
- ❖ All (12/12) monthly cash reconciliation reports were done according to target
- ❖ As per the annual target, all (4/4) Supply Chain Management reports were submitted to Council and National Treasury.

Chapter 3

- ❖ All (12/12) of the monthly MFMA Section 66¹ reports were submitted.
- ❖ All (12/12) of the monthly MFMA Section 71² reports were submitted.

Revenue Management:

- ❖ All operating grants of R59 6015 001 were received in full for 2012/2013.
- ❖ Payment rate per town achieved 75% and exceeded the target of 65%

Supply Chain Management

- ❖ All (100%) Bid Specification meetings were attended.
- ❖ All (100%) bids were opened on the closing day of the tenders. A register of those bidding needs to be kept.
- ❖ 12 monthly Supply Chain Management reports were submitted to Council and to National Treasury.
- ❖ All (12/12) monthly Supply Chain Management policy implementation reports were submitted.
- ❖ All (4/4) quarterly Supply Chain Management reports were submitted to the Mayor.
- ❖ All (4/4) stores stock takes have been conducted as per the annual target

T3.25.1

¹ In terms of section 66 of the Municipal Finance Management Act No 56 of 2003 – expenditure on staff benefits

² In terms of section 71 of the Municipal Finance Management Act No 56 of 2003 – statement of the Municipality's budget

Chapter 3

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2011/2012		2012/2013			2013/2014	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected
Property Rates	17640.00	69%		19427.00	74%	No info	No info
Electricity - B	1380.00			3070.00			
Electricity - C	63445.00	89%		65035.00	86%		
Water - B	0.00						
Water - C	24167.00	58%		24858.00	57%		
Sanitation	7395.00	72%		8352.00	76%		
Refuse	4905.00	69%		5384.00	72%		
Other							
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>							T 3.25.2

Concerning T3.70.2

Billing of the municipality for 2012/2013 was 53% of the total revenue realized.

T3.25.2.1

Chapter 3

Financial Service Policy Objectives Taken From SDBIP		
Service Objectives	Outline Service Targets	Service Targets

DRAFT

© 2014 Pearson Education, Inc. or its affiliate(s). All rights reserved. Pearson Education, Inc., publishing as Pearson Benjamin Cummings, 101 Philip Drive, Assinippi Park, New York, NY 10964-2133

[illegible]

Chapter 3

Service Indicators (i)		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
		(*Previous Year)	(*Current Year)	(*Mid Year)	(*Current Year)	(*Follo wing Year)	(*Previo us Year)	(*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective Improve financial viability\Budget Preparation								
Number of final Budget tabled to Council		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Number of Adjustment Budget tabled to Council		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Number of Draft Budget tabled to Council		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Service Objective Improve financial viability\Expenditure Management								
Percentage Statutory payments made within prescribed timeframes		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage of salary transfers within determined time frames		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage operating budget variance per department YTD in terms of projected quarterly expenditure	The expenditure for Technical Services Department did not meet set target	10.00	10.00	10.00	10.00	10.00	10.00	21.00
Service Objective Improve financial viability\Financial Reporting								

Chapter 3

Service Indicators (i)		2011/12 (*Previous Year)	2012/13 (*Current Year)	2012/13 (*Mid Year)	2012/13 (*Current Year)	2013/14 (*Follo wing Year)	2011/12 (*Previo us Year)	2012/13 (*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Number of monthly municipal systems improvement grants reports submitted by 10 working days after month end		12.00	12.00	12.00	12.00	12.00	12.00	12.00
Financial statements for FY submitted to the Auditor-General by 31 August (as per MFMA)		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Financial Statements submitted to NERSA by end October		100.00	100.00	100.00	100.00	100.00	0.00	100.00
Number of monthly finance management grant reports submitted by 10 working days after month end		12.00	12.00	12.00	12.00	12.00	12.00	12.00
Number of monthly municipal infrastructure grants reports submitted by 10 working days after month end		12.00	12.00	12.00	12.00	12.00	12.00	12.00
Total Number of monthly cash reconciliation reports done y.t.d.		12.00	12.00	12.00	12.00	12.00	10.00	12.00
Number of SCM reports submitted to council and national treasury y.t.d.	Submitted each time there is a tender award	4.00	4.00	4.00	4.00	4.00	4.00	10.00

Chapter: CHAPTER 3 – SERVICE DELIVERY/PERFORMANCE (PERFORMANCE REPORT PART I)

Chapter 3

Service Indicators (i)	(ii)	2011/12 (*Previous Year)	2012/13 (*Current Year)	2012/13 (*Mid Year)	2012/13 (*Current Year)	2013/14 (*Follo wing Year)	2011/12 (*Previo us Year)	2012/13 (*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Number of MFMA S66 reports submitted y.t.d.		12.00	12.00	12.00	12.00	12.00	12.00	12.00
Number S71 reports submitted within 10 working days after month end		12.00	12.00	12.00	12.00	12.00	12.00	12.00
Service Objective Improve financial viability\Revenue Management								
R-value annual revenue actually received for services y.t.d.	Customers not paying their consumer account on time	63700 000	63700 000	63700 000	63 700 000	63700 000	5053139 8	54204031
Percentage revenue received (Actual R-value revenue / total projected revenue)	Customers not paying their consumer account on time	70.00	70.00		70.00		83.00	61.90
Percentage Revenue from grants (R-Value received from grants/ Total Revenue received)			38.00		38.00		41.00	57.40
Service Objective Improve financial viability\Supply chain management								

Chapter 3

Service Indicators (i)	(ii)	2011/12 (*Previous Year)	2012/13 (*Current Year)	2012/13 (*Mid Year)	2012/13 (*Current Year)	2013/14 (*Follo wing Year)	2011/12 (*Previo us Year)	2012/13 (*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Number of SCM deviation reports submitted to council y.t.d.	Committee to Financial Committee didn't seat hence the report was submitted to EXCO	12.00	12.00		12.00		1.00	4.00
Number of SCM policy implementation reports submitted to Council		12.00	12.00	6.00	14.00	4.00	12.00	4.00
Number of stores stock takes conducted		4.00	4.00	2.00	4.00	4.00	4.00	4.00
Number of quarterly SCM reports submitted to the Mayor		4.00	4.00	2.00	4.00	4.00	4.00	4.00
Number of monthly SCM reports submitted to national treasury	Only 10 reports were submitted	12.00	12.00	6.00	12.00	12.00	12.00	12.00
Percentage quotations approved within required timeframe (Number of quotations approved within timeframe/ total Number of quotations approved)		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage tenders awarded within 90 days of closure		100.00	100.00	100.00	100.00	100.00	100.00	100.00

Chapter: CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Chapter 3

Service Indicators (i)	(ii)	2011/12 (*Previous Year)	2012/13 (*Current Year)	2012/13 (*Mid Year)	2012/13 (*Current Year)	2013/14 (*Follo wing Year)	2011/12 (*Previo us Year)	2012/13 (*Current Year)
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Number of invitation to service providers for registration on database		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Percentage of Bid Specification meetings attended (Number of Bid Specification meeting attended/ total Number of Bid Specification meeting invited)		100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage bids opened on closing day and on time (Number of bids opened on closing day and on time/ bids opened)		100.00	100.00	100.00	100.00	100.00	100.00	100.00
T3.25.3								

Chapter: CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Chapter 3

Employees: Financial Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	3	3	3	0	0%
7 - 9	26	26	26	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	33	33	33	0	0%
					T3.25.4

Financial Performance 2012/13: Financial Services					
					R'000
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.25.5

Chapter 3

Capital Expenditure Year 0: Financial Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	0
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
					T 3.25.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Among others Modimolle is experiencing challenges in term of revenue enhancement. Currently there is no revenue enhancement strategy in place, but provision has been made in the implementation of a Municipal Turn Around Strategy.

Financial Challenges

- ❖ Revenue collection.
- ❖ Most of the customers are indigent and no indigent verification system.
- ❖ Asset management not centralized in the correct department.
- ❖ Lack of compliance with Supply Chain Policy
- ❖ Inadequate organisational structure as a result there is no segregation of duties.

T3.25.7

Chapter 3

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resource Management refers to workforce management. The Human Resource division is a sub-function of the Corporate Support services.

The Human Resources is responsible for recruitment training, sound labour relations, occupational health and safety, and general administration of the workforce of the institution.

This is regulated through the following policies listed hereunder:

- (i) Employment Practices
- (ii) Medical Aid Subsidy
- (iii) Disciplinary Policy
- (iv) Policy of Leave
- (v) Policy on Long Service Awards
- (vi) Policy on Intoxication on Duty
- (vii) Policy on Acting in other posts
- (viii) Policy on acquisition and use of Cellular phones
- (ix) Memorial Policy
- (x) Policy on overtime worked and overtime rates
- (xi) Policy on sport and recreation
- (xii) Study Bursary Policy
- (xiii) Policy on temporary workers, casuals, students and volunteers
- (xiv) Policy on Training
- (xv) Retrenchment Policy
- (xvi) Policy on smoking in workplace
- (xvii) Sexual Harassment policy
- (xviii) Policy on subsistence and travelling allowance

Chapter 3

Two sessions to review the above policies were held in the fourth quarter with the Department of Co-Operative Governance, Human Settlement and Traditional Affairs assisting with process to update the policies.

The assistance by the Department has provided internal capacity to the human Resources Division to review the Human Resources policies as and when required.

T3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T3.26.2

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance as per IDP follows:

MUNICIPAL KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

STRATEGIC MUNICIPAL OBJECTIVE: ATTRACT, DEVELOP AND RETAIN HUMAN CAPITAL

KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Organisational design and human resource capacity	To develop an organizational structure that will enable the municipality to achieve its vision in terms of the Municipal Systems Act	Review the organizational structure through the linking of the IDP to the MIP; identification of organizational components such as capital resources, positions and job descriptions and then develop strategies to ensure that these components are structured in such a way that the municipality is able to achieve its vision	On annual basis
Gender Equity	To ensure that the gender equity requirements are met	To make reference to the municipal Employment Equity Plan during employment process of all funded posts to be filled in during 2012/13	Quarterly reports on employment addressing gender equity
Skills Development	To ensure that employees are skilled to perform their duties in such a manner that the municipality is able to provide affordable,	By ensuring that the training committee is effective. To ensure implementation of the skills development plan by providing the necessary resources and support to	Approved reviewed Skills Development Plan by May 2012 Training committee to sit

Chapter 3

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance as per IDP follows:			
MUNICIPAL KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION			
STRATEGIC MUNICIPAL OBJECTIVE: ATTRACT, DEVELOP AND RETAIN HUMAN CAPITAL			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
	excellent and uninterrupted services to the community	the training programmes and projects	on monthly basis

DRAFT

Chapter 3

KPI performance follows:

Human Resource Services Policy Objectives Taken From SDBIP								
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2011/12	2012/13	2013/14	2011/12	2012/13
		(*Previous Year) (iii)	(*Current Year) (iv)	(*Mid Year) (v)	(*Current Year) (vi)	(*Following Year) (vii)	(*Previous Year) (viii)	(*Current Year) (ix)
Service Objective: Transformation and Organisational Development\Attract, develop and retain human								
Number of section 57 employment contracts signed/ total number of section 57 managers contract developed as Percentage		100.00	100.00	100.00	100.00		100.00	100.00
Percentage \$57 staff with signed performance agreements (number \$57 with signed Performance agreements / number \$57 staff as percentage)		100.00	100.00	100.00	100.00		100.00	0w
Number formal Individual performance assessments conducted and reported upon		2.00	2.00	NA	2.00		1.00	0w
Percentage of budgeted vacancies on the organogram filled	Attributed to delays in the finalisation of selection processes	100.00	100.00	100.00	100.00		92.00	95.00
Number of OHS recommendations (identified hazards) implemented /Number of OHS recommendations (identified hazards) related to department made as Percentage		100.00	100.00	50.00	100.00		90.00	100.00

DRAFT

Chapter 3

Employees: Human Resource Services					
Job Level	2012/2013	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	8	0	0%

T3.26.4

Financial Performance 2012/13: Human Resource Services					
					R'000
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.26.5

Chapter 3

Capital Expenditure 2011/12: Human Resource Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T3.26.6					

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The following was measured under the Human Resource programme as per the performance management system:

- ❖ Budgeted vacancies could not be filled due to strategic imperatives that were not resolved. All S57 Managers have signed employment contracts and agreements.
- ❖ All OHS recommendations were implemented. All new posts have job descriptions developed and signed
- ❖ No formal assessments were conducted during the financial year 2011/2012

T3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology is a division of the corporate support and shared services department.

The function of the division is as follows:

- * The website was updated on a monthly basis. This is done to ensure that the site is relevant and up to date.
- * Providing end-user training and support of implemented solutions.
- * Undertake the planning, co-ordination, monitoring and evaluation of software development.
- * All technical support to events have been attended to when required.

T3.27.1

Chapter 3

SERVICE STATISTICS FOR ICT SERVICES

T3.27.2

KPA'S in terms of Key Performance Indicators, Objectives and Strategies and Target Performance as per IDP follows:

MUNICIPAL KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION			
STRATEGIC MUNICIPAL OBJECTIVE: IMPROVE ADMINISTRATIVE AND GOOD GOVERNANCE CAPACITY			
KEY PERFORMANCE INDICATOR	OBJECTIVE	STRATEGY	TARGET
Number of District ICT Forum meetings			4
% Actual uptime of Key Systems	Municipal key systems to be accessible and monitored accordingly	To ensure that the network is up and running at all times	90
Website Maintenance Report	Easy accessing of municipal information by community and stakeholders	Municipal website to be accessible and be updated	
ICT Service Providers Report	Obtaining service monthly report from service providers	To be able to monitor the IT Services rendered to municipality	
%Actual Implementation ICT Plan	All proposed projects to be budgeted and implemented	To ensure that all proposed projects and strategies are implemented to enhance municipal service delivery	
% ICT problems reported and resolved	Maintaining and support the ICT Management	To ensure all the problems logged are resolved and recorded	100%

Chapter 3

DRAFT

Chapter 3

KPI performance follows:

Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Service Targets					Actual Performance	
		2011/12	2012/13	2012/13	2012/13	2013/14	2011/12	2012/13
		(*Previous Year) (iii)	(*Current Year) (iv)	(*Mid Year) (v)	(**Current Year) (vi)	(**Following Year) (vii)	(*Previous Year) (viii)	(*Current Year) (ix)
Service Objective: Development and Implementation of policies\Information Communication and Technology								
Percentage IT complaints resolved within 1 day								
Service Objective: Development and Implementation of policies\Development and Implementation of policies\Marketing and Branding								
Number of diaries distributed y.t.d.			155					
Number of calendars distributed y.t.d.			20 000					
Percentage monthly updates of website			100%					
T3.27.3								

Chapter 3

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
					13.27.4

Chapter 3

Financial Performance 2012/2013 - ICT Services					
R'000					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R -	R -	R -	R -	
Expenditure:					
Employees	R 248 632.00	R 797 497.00	R 807 660.00		
Repairs and Maintenance	R 32 189.00	R 70 000.00	R 57 000.00		
Other	R 376 790.00	R 430 500.00	R 428 000.00		
Total Operational Expenditure	R 657 611.00	R 1 297 997.00	R 1 292 660.00		
Net Operational Expenditure	R 657 611.00	R 1 297 997.00	R 1 292 660.00		
					T 3.27.5

Chapter 3

Capital Expenditure 2011/12: ICT Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The following challenges were experienced regarding Information Technology:

- ❖ understaffed,
- ❖ outdated operating system (provide limited technical support),
- ❖ lack of network security,
- ❖ lack of disaster planning,
- ❖ poor cabling in data centre,
- ❖ lack of power supply, and
- ❖ IT is not centralised.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Property, Legal, Risk Management and Procurement Services

Risk Management is in the Internal Audit Unit, it comprises of one personnel who is on a one year contract and reports to Head Internal Audit. The posts for Risk are in the organogram but have not been funded.

Top 3 service delivery priorities

Chapter 3

- Local Economic Development;
- Water sanitation and refuse removal;
- Roads and stormwater

Measures taken to improve performance

By setting out realistic objectives, developing appropriate strategies aligned to the objectives, understanding the intrinsic risks associated within and direct resources towards managing such risks on basis of cost-benefit principles. Developing an effective Risk assessment and monitoring progress on a quarterly basis. Please refer to service delivery report of Technical Services Department for detailed information

T3.28.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.28.2

Chapter 3

KPI performance follows:

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From SDBIP								
Service Objectives <								

Chapter 3

	cases								
									T3.28.3

DRAFT

Chapter 3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	2	100%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	2	29%

T3.73.4

Financial Performance 2011/12: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational (Service) Expenditure	0	0	0	0	

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.28.5

Chapter 3

Capital Expenditure 2011/12: Property; Legal; Risk Management; and Procurement Services R' 000					
Capital Projects	2011/12				
	Budget	Adjustment to Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
NA	NA	NA	NA	NA	NA
					T3.28.6

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The following was achieved as measured through the performance management system:

Legal:

- ❖ Legal opinions were rendered within seven working days for 80% of the requests received meeting the annual target.
- ❖ Not all Service Level Agreements were drafted and signed within five days following the adjudication of tenders as targeted.
- ❖ Employee grievances were resolved within three months as per the annual target.

Risk:

- ❖ Monitoring and reporting on identified risks did not achieve target
- ❖ The Risk Strategy and Policy has been approved on 25 September 2009. A risk management plan has been developed. Most IDP objectives are at the risk of not being implemented as intended due to the following:
 - ❖ lack of budget,
 - ❖ lack of technical personnel,
 - ❖ inadequate organisational design,
 - ❖ lack of skills and training,
 - ❖ negative environmental impact,
 - ❖ dilapidated infrastructure,
 - ❖ lack of economic growth due to infrastructure capacity, lack of management of personnel's movement,
 - ❖ no succession plan in place,
 - ❖ inadequate staff,
 - ❖ no infrastructure to employ disabled persons,
 - ❖ no staff retention strategy

T3.28.7

Chapter 3

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

T3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

THIS SECTION STILL UNDER CONSTRUCTION

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The current Skills Development Policy in Modimolle Local Municipality provides the following support:

- Study Grant (Internal & External applicants)
- Offering Accredited training to our workforce

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

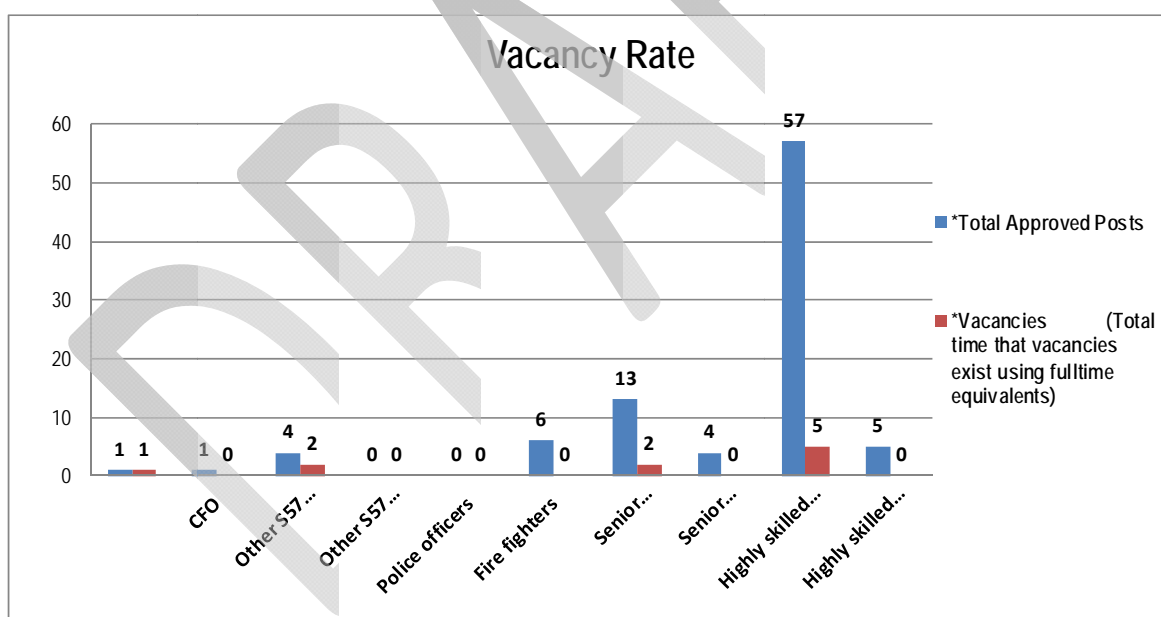
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2012/2013	2012/2013			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	23	25	23	2	8%
Waste Water (Sanitation)	29	29	29	0	0%
Electricity	25	27	25	2	7%
Waste Management	36	38	36	2	5%
Housing	5	5	5	0	0%
Waste Water (Stormwater Drainage)	0	0	0	0	0%
Roads	33	35	33	2	6%
Transport	0	0	0	0	0%
Planning	5	5	5	0	0%
Local Economic Development	6	6	6	0	0%
Planning (Strategic & Regulatory)	0	0	0	0	0%
Local Economic Development	6	6	6	0	0%
Community & Social Services	0	0	0	0	0%
Fire Services	7	7	7	0	0%
Health	0	0	0	0	0%
Security and Safety	0	0	0	0	0%
Sport and Recreation	15	15	15	0	0%
Corporate Policy Offices and Other	0	0	0	0	0%
Totals	190	198	190	8	4%
					T 4.1.1

Chapter 4

Vacancy Rate: 2012/2013			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	4	2	5000%
Other S57 Managers (Finance posts)	0	0	0%
Police officers	0	0	0%
Fire fighters	6	0	0.00%
Senior management: Levels 1-3 (excluding Finance	13	2	1538.5%
Senior management: Levels 1-3(Finance posts)	4	0	0%
Highly skilled supervision: levels 4-6 (excluding	57	5	877.19%
Highly skilled supervision: levels 4-6 (Finance posts)	5	0	0%
Total	91	10	10.99

T 4.1.2



Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2011/2012	20	5	25%
2012/2013	20	5	25%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

MLM re-advertised 3 vacant Senior Management posts, Municipal Manager, Manager: Social and Community Services and Manager: Strategic Planning and Economic Development.

Contracts of the Municipal Manager, Manager: Social and Community Services expired and the Manager: Strategic Planning and Economic Development is newly funded post.

MLM is losing Artisans to bigger Institutions who offers market related remuneration.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Modimolle Municipality has developed a policy on Employment Equity and Affirmative Action and is in process of reviewing other Human Resources policies.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Recruitment Policy	50%	Political 40% reviewed	
2	Medical Aid Subsidy Policy	100%		
3	Disciplinary Policy	100%		
4	Policy on leave	100%		
5	Policy on long Service award	100%		
6	Policy on Intoxication on Duty	100%		
7	Policy of Acting in other Posts	100%		
8	Policy on Acquisition and use of Cellular Phones	100%		
9	Memorial Policy	100%		
10	Policy on Overtime Worked and overtime Rates	100%		
11	Policy on Sport and Recreation	100%		
12	Study Bursary Policy	100%		
13	Policy on Temporary Workers, Casuals Students and volunteers	100%		
14	Policy on Training (Also include Bursary-Internal and external)	100%		
15	A A Policy	100%		
16	Policy on Smoking in Work Place	100%		
17	Sexual Harassment Policy	100%		
18	Policy on subsistence and Travelling Allowance	100%		
19	Staff Retention Policy	100%		
20	Municipal Dress Policy	100%		
21	Policy on the Provisioning and Use of Protective Clothing	100%		
22	Policy on Human Immunodeficiency Virus Disease (HIV) And Acquired Immune Deficiency Syndrome (AIDS)	100%		
Use name of local policies if different from above and at any other HR policies not listed. T4.2.1				

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Modimolle Local Municipality has developed a Policy on Employment Equity and Affirmative Action and is in process of reviewing other Human Resource Policies.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average injury leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	189	8	14.40%	13	R5 577.86
Temporary Total disablement	0	0	0	0	
Permanent disablement	0	0	0	0	
Fatal	0	0	0	0	
Total	189	8	14.4%	13	R5 577.86

T4.3.1

Number of days and Cost of sick leave (excluding injuries on duty)						
Designation	Total Sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per employees Days	Estimated Cost R'000
Level 1 - 2	20	90%	15	20	2	R22 000
Level 3 - 5	43	44%	7	17	3.1	R33 000
Level 6 - 8	140	40%	70	31	0.82	R56 000
Level 9 - 12	4	95%	2	35	1.3	R1 200
Levels 13 -15	215	5%	195	125	0.05	R75 000
MM and S57	71	10%	5	5	16	R70 650
Total	493		284	233	23.27	R257 850

T4.3.2

Chapter 4

COMMENT ON INJURY AND SICK LEAVE:

- Side inspection are done on monthly basis.
- Training is done to all SHE representative identification of hazards.
- Safe work procedures
- Education on corrective use of PPE

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or status of Case and Reasons why not finalized	Date Finalised
Asset Clerk	Alleged Fraud and Gross dishonest		<p>Suspension was referred to Labour Court and decision was granted in Municipality's favour</p> <p>The Disciplinary Hearing was conducted and waiting for closing arguments from both parties which will be followed by the sanction from the Chairperson</p>	
Assistant Store and 3 others	Theft		<p>The theft took place after hours and they were arrested by the Police at the scrapyard.</p> <p>The stolen commodity is difficult to proof whether it belong to the municipality or private. As a result we are waiting the criminal case which has been opened by the municipality to be finalized as it is going the share more light as to where is the commodity from.</p> <p>Case still pending in the Court of Law</p>	
Divisional Manager: IDP & LED	Alleged negligent		Suspension was lifted after 2 weeks	Finalized

T4.3.5

Chapter 4

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NONE DURING 2012/2013 FINANCIAL YEAR			
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Difficulty to get Chairperson and Prosecutor in prescribed timeframes.

Lack of evidence because proper keeping of documentation is still a problem which documents has to be used at the hearing.

The Chairpersons take a long time to deliver the sanction but however same has been reported to SALGA.

T4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

No performance rewards during the 2012/2013 financial year.

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2012/13 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 18-21)	Female		0	0	0%
	Male		0	0	0
Skilled (Levels 11-17)	Female		0	0	0%
	Male		0	0	0%
Highly skilled production (levels 7-10)	Female		0	0	0%
	Male		0	0	0%
Highly skilled supervision (levels 4-6)	Female		0	0	0%
	Male		0	0	0%
Senior management (Levels 1-3)	Female		0	0	0%
	Male		0	0	0%
MM and S57	Female		0	0	0%
	Male		0	0	0%
Total			0	0	0%
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
T 4.4.1					

COMMENT ON PERFORMANCE REWARDS:

Section 57 Managers:

- Contracts, SDBIP's in place and signed
- 50% strategic posts vacant
- Incumbents acted for 50% of the financial year
- No assessments and evaluation
- No budget provision for incentives
- No rewards paid

Bargaining Council Agreement employees:

- No cascading yet
- No policy
- No staff
- No implementation and evaluation
- No assessments and evaluation
- No incentives paid

Chapter 4

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Delete Directive note once comment is complete – Discuss the way ahead and the improvements made and the challenges faced for capacity development in your municipality.

T4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2012	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30 June 2012	Actual: 30 June 2013	Target 2014	Actual: June 2012	Actual: 30 June 2013	Target 2014	Actual: 30 June 2012	Actual: 30 June 2013	Target 2014	Actual: 30 June 2012	Actual: 30 June 2013	Target 2014
MM and S57	Female	1	0	0	0	0	1	1	0	0	0	0	0	0
	Male	2	0	0	0	0	2	2	0	0	0	0	0	0
Councillors, senior officials and managers	Female	11	0	0	0	1	11	12	0	0	0	0	0	0
	Male	26	0	0	0	12	26	19	0	0	0	0	0	0
Technicians and associate	Female	1	0	0	0	0	1	2	0	0	0	0	0	0
	Male	24	0	0	0	0	24	18	0	0	0	0	0	0
Professionals	Female	9	0	0	0	0	9	7	0	0	0	0	0	0
	Male	20	0	0	0	7	20	5	0	0	0	0	0	0
Sub total	Female	22	0	0	0	1	22	0	0	0	0	0	0	0
	Male	69	0	0	0	19	69	0	0	0	0	0	0	0
Total		185	0	0	0	40	185	66	0	0	0	0	0	0

*Registered with professional Associate Body e.g CA (SA)

T4.5.1

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	1	0	1	0	1	0
<i>Senior managers</i>	2	0	2	0	2	0
<i>Any other financial officials</i>	31	0	31	0	0	0
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	1	0	1	1	0	1
TOTAL	35	0	35	1	3	1
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1			R 58 500.00	R 58 500.00				
	Male	2								
Legislators, senior officials and managers	Female	11			R 220 000.00	R 219 306.00				
	Male	26								
Professionals	Female	9			R 27 500.00	R 27 500.00				
	Male	20								
Technicians and associate professionals	Female	1			R 20 655.87	R 20 655.87				
	Male	24								
Clerks	Female	38			R 95 000.00	R 95 000.00				
	Male	42								
Service and sales workers	Female	7								
	Male	12								
Plant and machine operators and	Female	1								
	Male	33								
Elementary occupations	Female	52			R 31 200.00	R 31 200.00				
	Male	144								
Sub total	Female	120								
	Male	303								
Total		423	R -	R -	R 540 000.00	R 375 072.54				
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
T4.5.3										

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Currently Senior Managers (3) and Divisional Managers are attending MFMP Training.

The municipality was granted Special Merit; where compliance date in June 2014.

Current training budget is not adequate for other Managers to complete outstanding modules.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is complete – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is complete – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year

Chapter 4

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	#REF!
	Male	#REF!
Skilled (Levels 3-5)	Female	#REF!
	Male	#REF!
Highly skilled production (Levels 6-8)	Female	#REF!
	Male	#REF!
Highly skilled supervision (Levels9-12)	Female	#REF!
	Male	#REF!
Senior management (Levels13-16)	Female	#REF!
	Male	#REF!
MM and S 57	Female	#REF!
	Male	#REF!
Total		#REF!
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the		

T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation

T4.6.3

No employees during the 2012/2013 financial year.

Employees not appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist

T4.6.4

No employees during the 2012/2013 financial year.

Chapter 4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No upgraded posts during the 2012/2013 financial year.

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Delete Directive note once comment is complete – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Delete Directive note once comment is complete - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

Delete Directive note once comment is complete - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R'000						
Description	2010/11	Current Year 2011/12			2011/2012 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
<u>Financial Performance</u>						
Property rates	15,906	16,870	17,000	17,640	4%	4%
service charges	89,470	105,090	99,326	96,376	-9%	-3%
Investment revenue	2,914	4,100	5,500	7,780	47%	29%
Transfer recognized - operational	50,989	55,302	56,150	57,236	3%	2%
Other own revenue	10,107	5,622	5,522	6,537	14%	16%
Total Revenue (excluding Capital Transfers & contributions)	169,386	186,985	183,498	185,570	-1%	1%
Employee costs	49,167	61,669	61,078	63,055	2%	3%
Remuneration of councilors	3,730	4,903	5,172	4,964	1%	-4%
Depreciation and assets impairment	32,200	35,750	35,750	30,503	-17%	-17%
Finance charges	1,647	806	2,306	2,749	71%	16%
Materials and bulk purchases	65,238	63,863	63,961	65,947	3%	3%
Transfer and grants	-	-	-	-		
Other expenditure	42,140	45,534	40,501	50,923	11%	20%
Total Expenditure	194,121	212,526	208,768	218,141	3%	4%
Surplus/(Deficit)	-24,735	-25,542	-25,270	-32,571	22%	22%
Transfer recognized -capital	19,579	32,505	39,558	26,815	-21%	-48%
Contributions recognized-capital and contributed assets	0					
Surplus/(Deficit) after capital transfers & contribution	-5,157	6,964	14,287	-5,757	221%	348%
Share of surplus/(deficit) of associate	0					
Surplus /(Deficit) for the year	-5,157	6,964	14,287	-5,757	221%	348%
<u>Capital Expenditure & funds sources</u>						
Capital Expenditure						
Transfer recognised -capital	19,579	32,505	39,558	24,425	-33%	-62%
Public contributions and donations	-	-	-	80	100	100
Borrowings	-	-	-	-		
Internally generated funds	5,940	810	2,015	1,138	29%	-77%

Chapter: CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5

Total sources of capital funds	25,518	33,315	41,572	25,643	-30%	-62%
<u>Financial position</u>						
Total current assets	80,321	55,285	78,390	104,069	47%	25%
Total non current assets	841,853	762,269	836,912	811,128	6%	-3%
Total liabilities	41,556	28,700	28,400	66,064	57%	57%
Total non current liabilities	30,818	16,895	30,648	29,896	43%	-3%
Community wealth/ Equity	849,800	771,960	856,254	819,238	6%	-5%
<u>Cash flows</u>						
Net cash from (used) operating	39,199	33,404	39,692	35,484	6%	-12%
Net cash from (used) investing	-27,778	-33,510	-41,916	-13,289	-152%	-214%
Net cash from (used) financing	-617	-285	-235	3,496	108%	107%
Cash/ cash equivalents at year end	10,804	-391	-2,310	25,689	102%	109%
<u>Cash backing/ surplus reconciliation</u>						
Cash and investments available	44,652	28,979	44,724	58,389	50%	23%
Application of cash and investments	-15,164	-14,916	-11,468	-23,149	36%	50%
Balance- surplus (shortfall)	29,488	14,063	33,256	35,240,506	60%	6%
<u>Assets management</u>						
Assets register summary (WDV)	839,547	760,349	834,991	801,240	5%	-4%
Depreciation and assets impairment	32,200	35,750	35,750	30,503	-17%	-17%
Renewal of Existing Assets	16,897	24,684	25,845	17,887	-38%	-44%
Repairs and Maintenance	19,439	8,306	8,401	8,096	-3%	-4%
<u>Free Services</u>						
Cost of Free Basic Service provided	-	3,753	3,753			
Revenue cost of free services provided	-	5,753	13,435			
<u>No. of Households below minimum service level</u>						
water	-	-	-			
Sanitation/Sewerage	-	-	-			
Energy	2	3	3			
Refuse	7	7	7			
Variances are calculated by dividing the difference between actual and original/ adjustments budget by the actual. This table is aligned to MBRR table A1 T5.1.1						

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	2007/08	2008/09		2008/09 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%
Component A: sub-total	1,865	1,622	1,865	1,510	-7.41%	-23.46%
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%
Component B: sub-total	8,455	8,455	8,624	9,554	11.50%	9.73%
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%
Component B: sub-total	6,846	6,230	7,256	6,640	6.19%	-9.28%
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%
Component C: sub-total	48,542	40,776	48,542	46,115	11.58%	-5.26%
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%
Total Expenditure	179,353	157,791	181,274	169,118	6.70%	-7.19%
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T5.1.2						

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is complete – Comment on variances

T5.1.3

Chapter 5

Grant Performance						
R'000						
Description	2010/11	Current Year 2011/12			2011/2012 Variance to actual	
	Actual	Budget	Adjusted Budget	Actual	Original Budget (%)	Adjusted Budget (%)
<u>Operating Transfers and Grants</u>						
National Government	48,276	54,302	54,302	56,236	3%	3%
Equitable share	44,945	50,075	50,075	50,098	0%	0%
Municipal System improvements	604	790	790	1,093	28%	28%
EPWP Incentive	-779	536	536	2,093	74%	74%
Municipal Infrastructure Grant	1,948	1,651	1,651	1,158	-43%	-43%
Finance Management		1,250	1,250	1,795	30%	30%
Provincial Government:						
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
District municipality:	2,000	1,000	1,000	1,000	0%	0%
<i>Waterberg District municipality</i>	2,000	1,000	1,000	1,000	0%	0%
Other Grant Providers :						
<i>[insert description]</i>						
Total Operating Transfers and Grants	50,276,467	55,301,808	55,301,801	57,236,374	0%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T5.2.1						

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Chapter 5

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

Delete Directive note once comment is complete – Comment on the variances in the above table and other and indicate high value projects & total the remaining project.

T5.2.2

Grant Received From Sources Other Than Division of Revenue Act (DORA)						
Details of Donor	Actual Grant '10/11	Actual Grant '11/12	11/12 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contribution in kind
Parastatals						
A-"Upgrade of Eskom Substation"	2,000,000	1,000,000	3,150,000			
A-"Project2"						
B-"Project 1"						
B-"Project 2"						
Foreign Governments/ Development Aid Agencies						
A-"Project 1"						
A-"Project2"						
B-"Project 1"						
B-"Project 2"						
Private Sector/ Organizations						
A-"Project 1"						
A-"Project2"						
B-"Project 1"						
B-"Project 2"						
Provide a comprehensive response to this schedule						
T5.2.3						

Chapter: CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5

Insert table note advising municipalities to indicate high value projects & total the remaining projects.

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reason for acceptance.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality has an established division within the Budget and Treasury office responsible for assets management. The division manages the assets register in terms of GRAP standards and is in possession of GRAP compliant register.

The municipality has developed policy in assets management which is in line with GRAP standards. The policy outlines the treatment and recognition of municipal assets. It also outlines the roles of the Municipal Manager and Chief Financial Officer. It further gives guidelines as to how the format of the FAR should be structured.

The division has the Asset Manager (Divisional Manager), Accountant and the Assets clerk to perform asset activities for the organization as a whole under the supervision of the CFO.

T5.3.

TREATMENT OF THE THREE LARGEST ASSETS ACCRUED 2011/12

Asset 1	
Name	SEWER PLANT
Description	UPGRADING MODIMOLLE SEWER PLANT
Asset type	INFRASTRUCTURE

Chapter 5

Key Staff Involved	MM, MTS, CFO, ASSET MANAGER
Staff Responsibility	MM: ENSURING THAT THE PROJECT IS CAPTURED ON IDP AND IN LINE WITH MUNICIPAL PRIORITIES
	MTS: IDENTIFICATION OF THE NEED FOR THE UPGRADING OF THE SEWER PLANT
	MTS: APPROVAL OF THE PROJECT AND BUDGET FOR EXPENDITURE
	CFO: APPROVAL OF FUNDS AS PER BUDGETED AMOUNT
	ASSET MANAGER: CAPTURING OF ASSETS ON ASSETS REGISTER
	2011/12
Asset Value	R21 609 469.65
Capital Implications	MULTI YEAR PROJECT: COMPLETED
Future Purpose of Asset	SEWER PLANT: SANITATION
Describe Key Issues	
Policies in place to manage Asset	YES

Asset 2	
Name	JOE SLOVO LOW LEVEL BRIDGE
Description	BRIDGE CONSTRUCTION
Asset type	INFRASTRUCTURE
Key Staff Involved	MM, MTS, CFO, ASSET MANAGER
Staff Responsibility	MM: ENSURING THAT THE PROJECT IS CAPTURED ON IDP AND IN LINE WITH MUNICIPAL PRIORITIES
	MTS: IDENTIFICATION OF THE NEED FOR THE UPGRADING OF THE SEWER PLANT
	MTS: APPROVAL OF THE PROJECT AND BUDGET FOR EXPENDITURE
	CFO: APPROVAL OF FUNDS AS PER BUDGETED AMOUNT
	ASSET MANAGER: CAPTURING OF ASSETS ON ASSETS REGISTER
	2011/12
Asset Value	R7 693 559.04
Capital Implications	MULTI YEAR PROJECT: COMPLETED
Future Purpose of Asset	COMMUNITY ROADS
Describe Key Issues	
Policies in place to manage Asset	YES

Asset 3	
Name	MABATLANE SEWER RETICULATION PHASE 2
Description	UPGRADING MABATLANE SEWER RETICULATION
Asset type	INFRASTRUCTURE

Chapter 5

Key Staff Involved	MM, MTS, CFO, ASSET MANAGER
Staff Responsibility	MM: ENSURING THAT THE PROJECT IS CAPTURED ON IDP AND IN LINE WITH MUNICIPAL PRIORITIES
	MTS: IDENTIFICATION OF THE NEED FOR THE UPGRADING OF THE SEWER PLANT
	MTS: APPROVAL OF THE PROJECT AND BUDGET FOR EXPENDITURE
	CFO: APPROVAL OF FUNDS AS PER BUDGETED AMOUNT
	ASSET MANAGER: CAPTURING OF ASSETS ON ASSETS REGISTER
	2011/12
Asset Value	R4 633 642.34
Capital Implications	SINGLE YEAR PROJECT: COMPLETED
Future Purpose of Asset	SEWER RETICULATION SYSTEM
Describe Key Issues	
Policies in place to manage Asset	YES
T5.3.2	

COMMENT ON ASSET MANAGEMENT:

Delete Directive note once comment's completed – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19(2) (a) & (b) and MSA section 74(2)(d),(e)&(i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T5.3.3

Repair and Maintenance Expenditure 2011/12				
	Original Budget	Adjustment Budget	Actual	Budget Variance
Repairs and Maintenance Expenditure	8,306	8,401	8,096	2.53%
T5.3.4				

Chapter 5

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

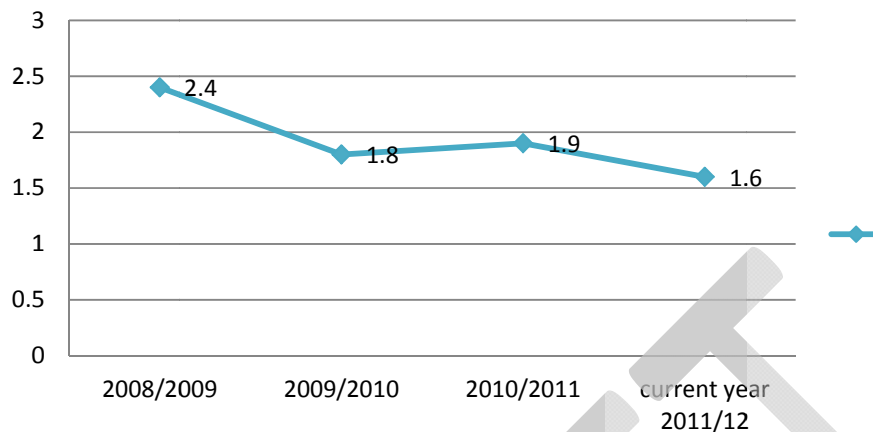
Delete Directive note once comment's completed – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and maintenance expenditure in T5.3.4 must reconcile with the operational repairs and maintenance expenditure for all services set out in Chapter 3.

T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Current Ratio

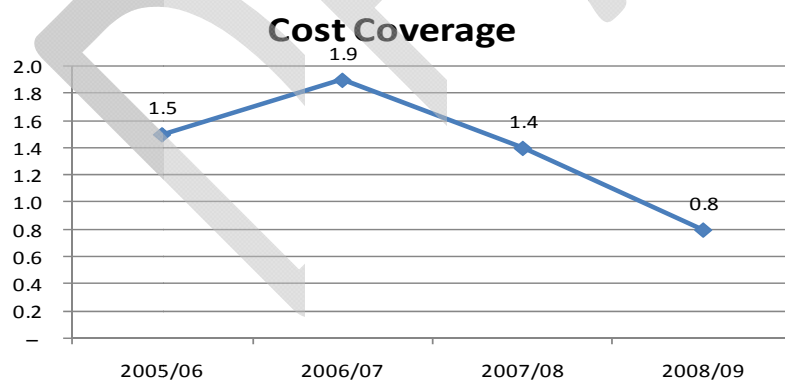
Chapter 5



Liquidity Ratio- Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T5.4.1

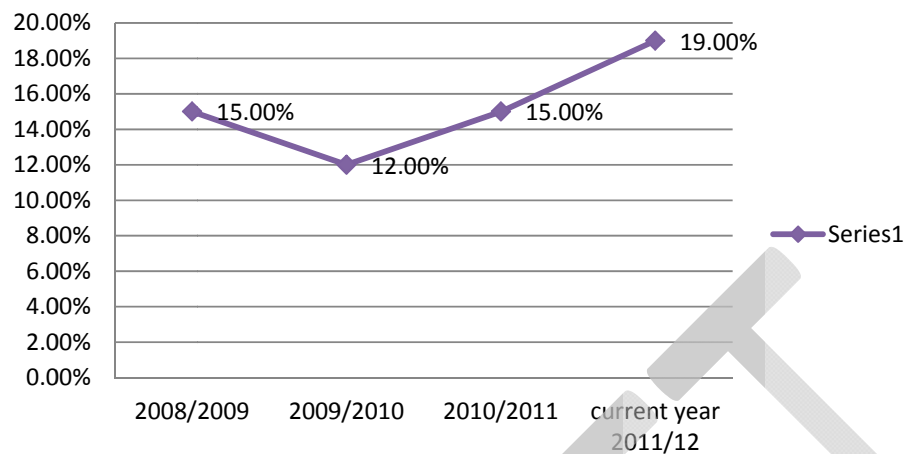


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

T5.4.2

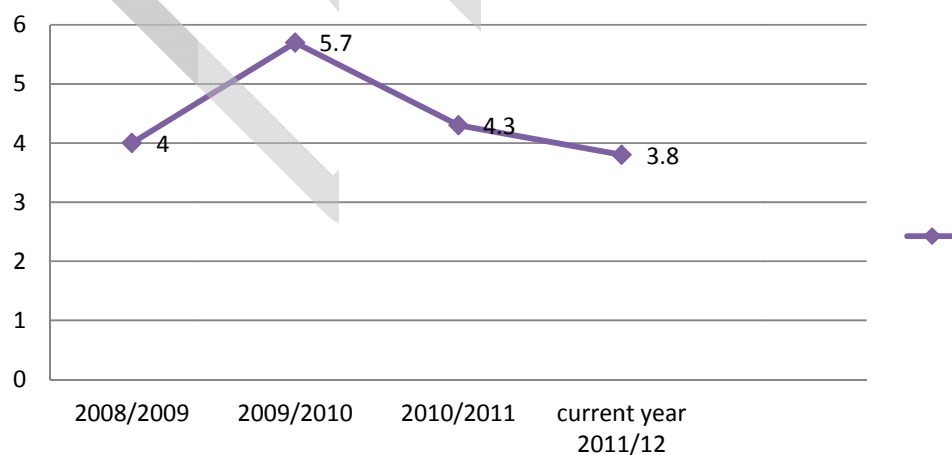
Chapter 5

Total Outstanding Services Debtors



Total Outstanding Services Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8 T5.4.3

Debt Coverage



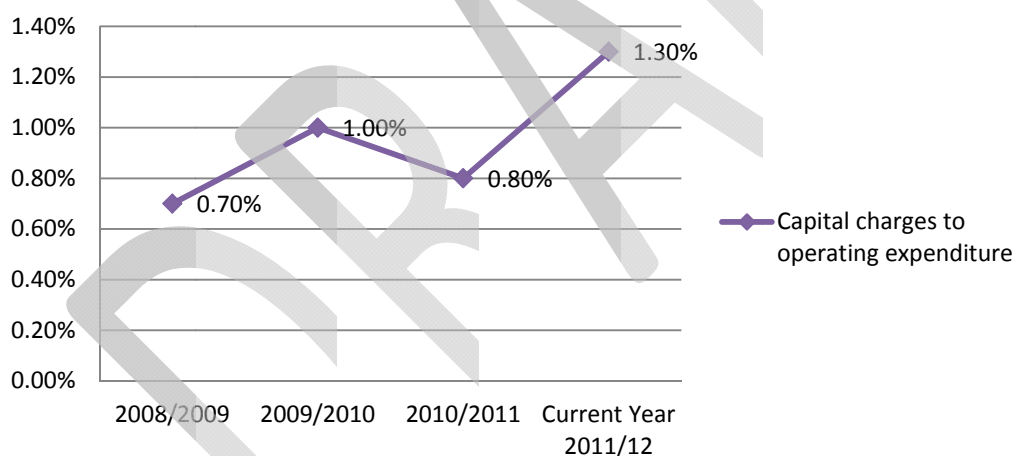
Chapter 5

Debt Coverage- The number of times payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality. Data used from MBRR SA8

T5.4.4

T5.4.5

Capital Charges to Operating Expenditure

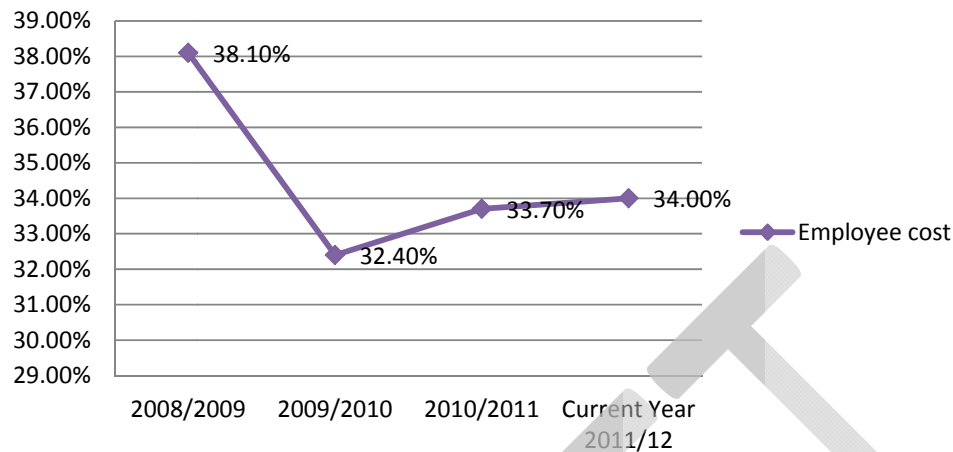


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. Data used from MBRR SA8

T5.4.6

Chapter 5

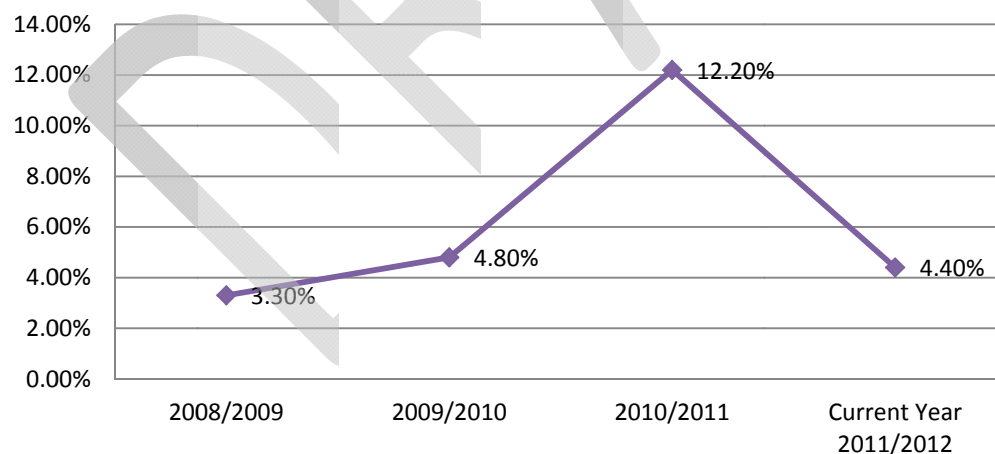
Employee cost



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue. Data used from MBRR SA8

T5.4.7

Repairs and Maintenance



Repairs and Maintenance- This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. Data used from MBRR SA8

T5.4.8

Chapter 5

COMMENT ON FINANCIAL RATIOS:

Delete Directive note once comment is complete - Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table **SA8 of the MBRR**.

T5.4.9

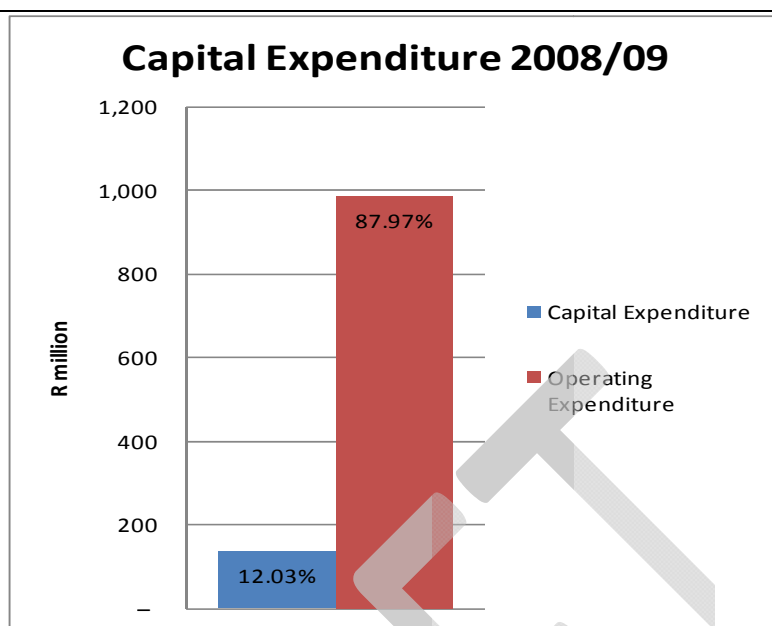
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Delete Directive note once comment's completed – Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

Chapter 5



T5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure- Funding Sources 2010/11- 2011/12						
R'000						
Details	2010/11	Current Year 2011/12			2011/2012 Variance to actual	
	Actual	Original Budget (OB)	Adjusted Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans			-			
Public contributions and donations			-	80	100%	100%
Grants and subsidies	19,579	32,505	36,558	24,425	-33%	-50%
Other	5,940	810	3,000	1,138	28,85%	-164%
Total	25,518	33,315	39,558	25,643	-30%	-54%
Percentage of finance						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	0	100%	100%
Grants and subsidies	77	98	92	95	-2%	3%

Chapter 5

Other	23	2	8	4	45%	-71%
-------	----	---	---	---	-----	------

Capital Expenditure						
Water and sanitation	22,050	24,684	22,845	17,876	-38%	-28%
Electricity	-	595	1,408	1,	0%	0%
Housing						
Roads and storm water	-	5,289	11,402	6,175	14%	-85%
Other	3,469	2,747	5,917	293,723	-835.23%	-1914.48%
Total	25,518	33,315	41,572	25,643	-30%	-62%
Percentage of expenditure						
Water and sanitation	86.40%	74.10%	55.00%	69.70%	-6.28%	21.17%
Electricity	0.00%	1.80%	3.40%	5.10%	64.69%	33.08%
Housing	0.00%	0.00%	0.00%	0.00%		
Roads and storm water	0.00%	15.90%	27.40%	24.10%	34.08%	-13.90%
Other	13.60%	8.20%	14.20%	1.10%	-619.86%	-1142.58%

T5.6.1

COMMENT ON SOURCES OF FUNDING:

Delete Directive note once comment is complete – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R'000					
Name of project	Current Year			Variance Current Year	
	Original Budget (OB)	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A-Donkerpoort Water Works	7,274	11,097	12,320	41%	10%
B-Joe Slovo Bridge	2,909	4,531	4,274	32%	-6%
C- Mabatlane Sanitation Reticulation	5,100	4,826	4,634	-10%	-4%

Chapter 5

D- Limpopo Str Upgrade	-	5,000	843	100%	-493%
E-Vaalwater Waste Water Trea	-	3,056	570	100%	-436%
*Projects with the high capital expenditure					

Name of project -A					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project -B					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project -C					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project -D					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					

Name of project -E					
Objective of project					
Delays					
Future challenges					
Anticipated citizen benefits					
T5.7.1					

COMMENT ON CAPITAL PROJECTS:

Chapter 5

Delete Directive note once comment is complete - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision 2008/09. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is complete – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created. T5.8.1

Service Backlogs as at 30 June 2009				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure 2008/09 on Service backlogs						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

COMMENT ON BACKLOGS:

Delete Directive note once comment's completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Delete Directive note once comment is complete – Give a brief comment on the importance of cash flow management. Refer to the scope of this activity as indicated in this component and what you regard as the key management features of your municipality's approach. Refer to any other cash flow issues of current relevance to your municipality that are not adequately provided for in the format of this component.

T5.9.0

DRAFT

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2010/11	Current Year 2011/2012		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Rate payers and other	105,375	116,621	99,882	107,543
Government - operating	50,703	55,302	56,150	57,236
Government- Capital	19,745	32,505	42,128	30,058
Interest	5,745	2,100	2,100	7,780
Dividends	-	-	-	-
Payments				
Suppliers and employees	-140,556	-172,318	-159,761	-164,384
Finance charges	-1,647	-806	-806	-2,749
Transfers and Grants				
NET CASH FROM (USED) OPERATING ACTIVITY	39,198,655	33,403,984	39,692,397	35,483,566
CASH FLOW FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-2,016		-	-25,241
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (Increase) other non-current receivables	-		-	11,952
Decrease (Increase) other non-current investment	-243	-195	-195	
Payments				
Capital assets	-25,518	-33,315	-41,572	
NET CASH FROM (USED) INVESTING ACTIVITY	-	-	-	-
CASH FLOW FROM FINANCING ACTIVITY				
Receipts				
Short term loans				
Borrowing long term/ refinancing				
Increase (Decrease) in consumer deposits	-	200	200	

Chapter 5

Increase in Finance lease liability				
Payments				
Repayment of borrowing	-617	-485	-435	-465
NET CASH FROM (USED) FINANCING ACTIVITY	-616,879	-285,000	-235,000	3,494,888
NET INCREASE (DECREASE) IN CASH HELD	10,803,915	-390,999	-2,309,835	25,689,322
Cash/cash equivalents at the year begin	19,009,337	3,100,000	29,809,543	29,809,539
Cash/cash equivalents at the yearend:	29,813,252	2,709,001	27,499,708	55,498,861
Source: MBRR SA7 T5.9.1				

COMMENT ON CASH FLOW OUTCOMES:

Delete Directive note once comment is completed - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR**.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Delete Directive note once comment is completed - Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR**.

T5.10.1

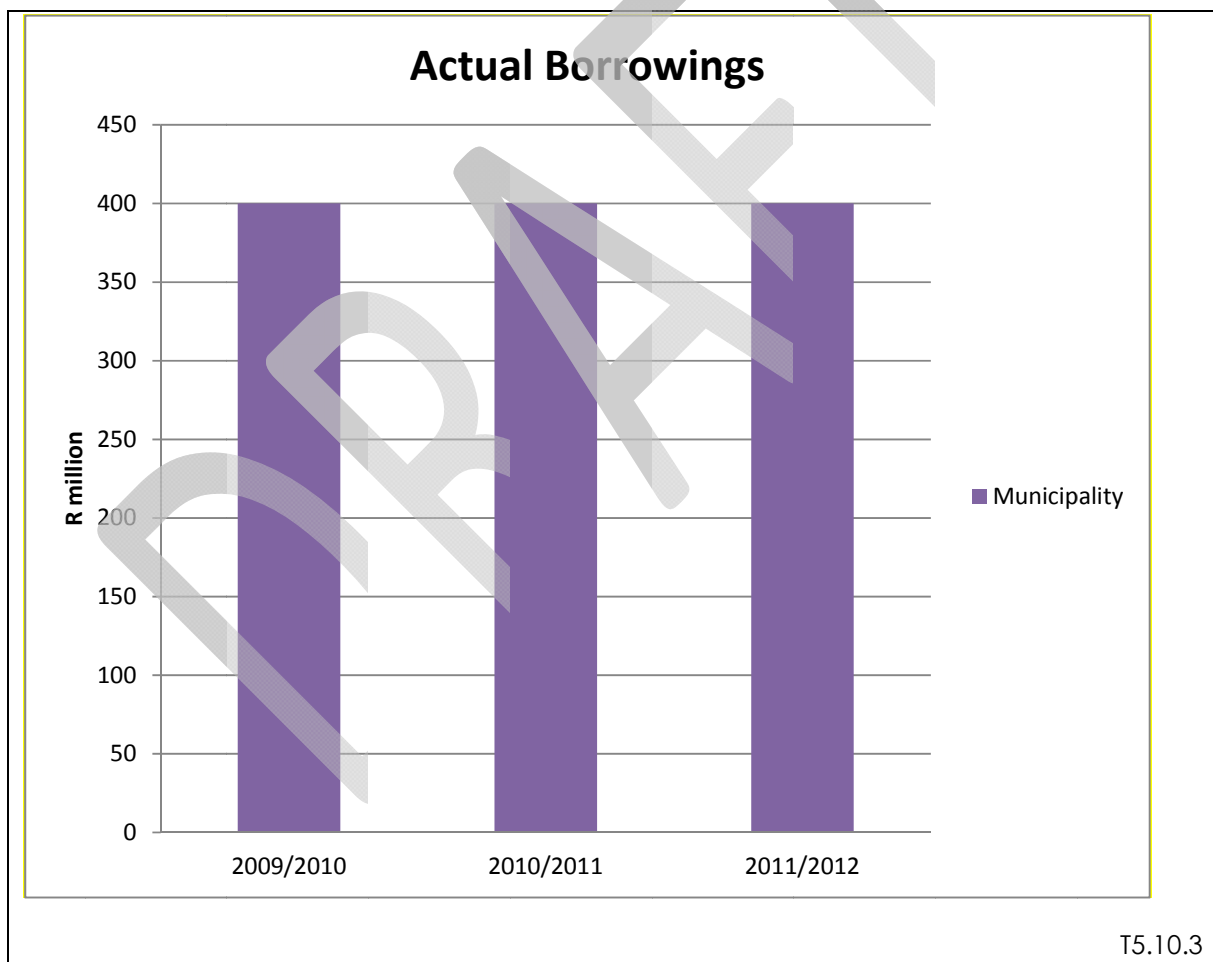
Chapter 5

Actual Borrowings 2009/10 - 2011/12			
Instrument	2009/10	2010/2011	2011/12
<u>Municipality</u>			
Long-Term Loans (annuity/ reducing balance)	3,627,020	3,132,640	2,667,550
Long-Term Loans (non-annuity)			
Local registered stock			
Installment credit			
Financial Leases	368,914	246,415	4,206,360
PPP Liabilities			
Finance Granted by Cap Equipment Suppliers			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial Derivatives			
Other Securities			
Municipal Total	3,999,934	3,397,055	6,873,910
<u>Municipal Entities</u>			
Long-Term Loans (annuity/ reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Installment credit			
Financial Leases			
PPP Liabilities			

Chapter 5

Finance Granted by Cap Equipment Suppliers			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial Derivatives			
Other Securities			
Entities Total	0	0	0

T5.10.2



Chapter 5

Municipal and Entity Investments			
Investment* type	2009/10	2010/11	2011/12
	Actual	Actual	Actual
Municipality			
Securities-National government			
Listed Corporate Bonds			
Deposits-Bank	29,142,484	29,603,898	5,191,325
Deposits- Public Investments Commissioners			
Deposits- Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposits-Banks			
Guaranteed Endowment Policies(sinking)	1,458,107	1,701,523	1,986,416
Repurchase Agreements- Banks			
Municipal Bonds			
Other	4,000	4,000	4,000
Municipality Sub-total	30,604,591	31,309,421	7,181,741
Municipal Entities			
Securities-National government			
Listed Corporate Bonds			
Deposits-Bank			
Deposits- Public Investments Commissioners			
Deposits- Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposits-Banks			
Guaranteed Endowment Policies(sinking)			
Repurchase Agreements- Banks			
Municipal Bonds			
Other			
Entities Sub-total	0	0	0
Consolidated total:	30,604,591	31,309,421	7,181,741

Chapter 5

T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

Delete Directive note once comment is complete - Make clarifying comments on the above tables as necessary. All investments whether in the form of loans (in cash or kind) made by the municipality but not to one or more of the organisations set out above and all grants (in cash or kind) made to any form of organisation **must** be set out in full at **Appendix R**.

T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Delete Directive note once comment's completed - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H, Table SA3 (MBRR)** may also be used to gain information on PPP's.

T5.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Delete Directive note once comment is complete - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set down by the SCM Regulations 2005. State whether any councilors are members of any committee handling Supply Chain processes; state the

Chapter 5

number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or his report for 2008/09 concerning the quality of Supply Chain Management and detail the remedial action taken, as necessary.

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

~~Delete Directive note once comment's completed~~ – Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General

Delete Directive note once comment's completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2007/08

6.1 AUDITOR GENERAL REPORTS 2007/08

Auditor-General Report on Financial Performance 2007/08	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
Note:*The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

T6.1.1

Chapter 6

Annual Report

2011/2012

Auditor-General Report on Service Delivery Performance 2007/08	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
T6.1.2	

COMPONENT B: AUDITOR-GENERAL OPINION 2008/09

6.2 AUDITOR GENERAL REPORT 2008/09

Auditor-General Report on Financial Performance 2008/09*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance 2008/09.	
T6.2.1	

Chapter 6

Annual Report

2011/2012

Auditor-General Report on Service Delivery Performance 2008/09*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
<p>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance 2008/09</p> <p>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</p>	

T6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2008/09
<p><u>Delete Directive note once comment is complete</u> - Attach report</p>

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2008/09:
<p><u>Delete Directive note once comment's completed</u> - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on 2007/08 if it provides useful context.</p>

T6.2.4

<p>COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at Appendix S (delete '/...' if not applicable).</p>

Chapter 6

Annual Report

2011/2012

Signed (Chief financial Officer)..... Dated T6.2.5

DRAFT

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give " <i>full and regular</i> " reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe " <i>what we do</i> ".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of

	outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance	Indicators should be specified to measure performance in relation to

Indicator	input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Clr W L Botes	PT	Chairperson of Budget & Treasury Portfolio Committee	ANC - PR	99%	100%
Clr G Ferreira	PT	Member of Corporate Services Portfolio Committee Member of Planning & Development Portfolio Committee	DA - WARD 4	96%	100%
Clr M P Kekana	PT	EXCO Member - Member of Social & Community Services Portfolio Committee	ANC - PR	99%	100%
Clr A N Khanya	PT	Member of Planning and Development Portfolio Committee	ANC - PR	99%	100%
Clr M S Ledwaba	PT	Member of Social & Community Services Portfolio Committee	ANC - WARD 6	100%	N/A
Clr K E Lekalakala	FT	Mayor - Member of Budget & Treasury Portfolio Committee	ANC - WARD 7	99%	100%
Clr M F Marutha	PT	Chairperson of Social & Community Services Portfolio Committee	ANC - WARD 9	98%	100%
Clr R P Mashaba	PT	Member of Corporate Services Portfolio Committee - Chairperson of MPAC	ANC - PR	98%	100%
Clr N G Matshitsho	FT	Chief Whip - Member of Technical Services Portfolio Committee	ANC - WARD 2	99%	100%
Clr N G Mojela	PT	Chairperson of Technical Services Portfolio Committee	ANC - WARD 1	95%	100%
Clr S J Moropene	PT	Member of Technical Services Portfolio Committee	ANC - WARD 5	99%	100%
Clr M S Motshegoa	PT	Chairperson of Planning & Development Portfolio Committee	ANC - PR	97%	100%
Clr J Nel	PT	Member of Corporate Services Portfolio Committee	VF+ - PR	100%	N/A
Clr M P Nyamah	PT	Member of Budget & Treasury Portfolio Committee Member of Social & Community Services Portfolio Committee	DA - PR	97%	100%
Clr M S Olifant	PT	Chairperson Corporate Services Portfolio Committee	ANC - PR	100%	N/A
Clr S D Sebelebele	PT	Member of Technical Services Portfolio Committee	DA - PR	99%	100%
Clr S A Sebolai	FT	Speaker Member of Technical Services Portfolio Committee	ANC - WARD 3	100%	N/A
Clr L W van Aswegen	PT	EXCO Member - Member of Corporate Services Portfolio Committee	DA - WARD 8	97%	100%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

TA.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

[illegible]

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Mr N J Moagi (Acting MM)
Chief Financial Officer	Mrs T M Mathabatha
Manager: Corporate Services	Mr N J Moagi
Manager: Strategic Planning and Economic Development	Vacant
Manager: Technical Services	Mr N Sikhwivhilu
Manager: Social & Community Services	Vacant
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	
	T C

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution		
Building regulations		
Child care facilities		
Electricity and gas reticulation		
Firefighting services		
Local tourism		
Municipal airports		
Municipal planning		
Municipal health services		
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		
<i>Continued next page</i>		

<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		
Street trading		
Street lighting		
Traffic and parking		
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	N G Mojela - Ward Councillor	Yes			
	M H Lekoloane				
	R E Khosa				
	M J Kanya				
	M S Segwapa				
	M S Sebolai				
	J Baloyi				
	J Mokoena				
	K S Matlou				
	M S Seodisa				
	R W Mokau				
Ward 2	N G Matshitsho - Ward Councillor	Yes			
	S T Phukubje				
	M M Motshegoa				
	ED Motsomane				
	s g Mutlhasei				
	M J Tutshe				
	T Masalesa				
	M Moffo				
	D S Moselwane				
	V Motshegoa				
	P E Dafoma				
Ward 3	S A Sebolai - Ward Councillor	Yes			
	D M Molefe				
	S M Moshoue				
	J P Kgosana				
	M G Moke'toa				
	M M Moshoue				
	D W Kgatwane				
	M M Masila				
	T O Selokela				
	L M Moruwe				
	D R Matlou				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 4	G Ferreira - Ward Councillor	Yes			
	J H Victor				
	W H van Heerden				
	M D Nchabeleng				
	W M Kruger				
	G Breytenbach				
	F M Maitisa				
	T M Makommene				
	M P Moshela				
	D v/d Merwe				
	M M Baloyi				
Ward 5	S J Moropene - Ward Councillor	Yes			
	S J Maseko				
	S S Makalela				
	J Pheko				
	H Moutlane				
	S Mohlapisi				
	J L Legiba				
	N R Mahamete				
	G Selolo				
	M B Baloyi				
	E M Mosima				
Ward 6	M S Ledwaba - Ward Councillor	Yes			
	M E Molefe				
	M A Phofa				
	D J Makgatho				
	S D Mokoka				
	E L Setai				
	D M Phele				
	C Mphafudi				
	O S Marema				
	S N Ndou				
	R J Mahoro				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 7	K E Lekalakala - Ward Councillor	Yes			
	R S Ramela				
	M M Mathye				
	M P Malope				
	J B Mokoena				
	M J Mpepele				
	M S Mnisi				
	M S Mookadmedi				
	A M Mboweni				
	T A Sepesu				
	T J Sithole				
Ward 8	L W van Aswegen - Ward Councillor	Yes			
	S G Ferreira				
	A T Steenberg				
	S H Bisschoff				
	M S M Grottsch				
	M Alberts				
	R M Kgosana				
	P J Matsetela				
	K H Niewenhuis				
	A M Mabusela				
	J S v/d Merwe				
Ward 9	M F Marutha - Ward Councillor	Yes			
	P V Lekalakala				
	M E Selemela				
	M I Maakwana				
	J R Moabi				
	L Mabusela				
	R M Morake				
	B Phanela				
	L Moreroa				
	S J Mashishi				
	M S Mawela				
					TE

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in 2012/2013				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
	Water Projects			
	Upgrading on Donkerpoort Water Purification Plant	21/1/2011	15/1/2012	R 14 367 580.00
	Phagameng Ext 11 Water Reticulation	2/1/2012	28/9/2012	R 1 000 000.00
	Sanitation / Sewerage			
	Mabatlane Sewer Package Plant	11/6/2012	11/10/2012	R 4 200 000.00
	Mabaleng Sewer Package Plant	12/11/2010	28/2/2013	R 4 200 000.00
	Modimolle Wate Water Treatment Works Phase 2			R 13 308 918
	Electricity			
	Mabatlane Ext 4 Street Lights	5/11/2012	30/6/2013	R 595 256.00
	Modimolle Street Lights	5/11/2012	30/6/2013	R 297 628.00
	Phagameng Wext 10. Street Lights	5/11/2012	30/6/2013	R 595 256.00
	Phagameng Ext 9 Street Lights	5/11/2012	30/6/2013	R 297 628.00
	Phagameng Ext 7 Street Lights	5/11/2012	30/6/2013	R 595 256.00
	Electrification of Phagameng Ext 10			R 3 000 000.00
	Energy Efficiency and Demand			R 8 000 000.00
	Sport, Arts & Culture			
	Fencing of Mabatlane Cemetery			R 1 200 000.00
	Fencing Old Leseding Community Hall			R 492 080.00
	Fencing of Old Modimolle Cemetery			R 350 000.00
	Fencing of current Modimolle Cemetery			R 350 000.00
	Development of Modimolle Parks	6/11/2012		R 2 280 000.00
	Economic Development			
	Mabatlane Market Stalls	12/7/2012	6/6/2013	R 656 000.00
	Modimolle Market Stalls	2/4/2013	31/7/2013	R 350 000.00
	Stormwater / Roads			
	Phagameng street and stormwater Phase 4	8/11/2012	30/6/2013	R 3 019 356.00
	Modimolle paving of streets	4/2/2013	30/5/2013	R 1 712 878.00
	Freedom Park - Paving of ring road	7/5/2013	N/A	R 3 300 000.00
	Mabatlane Ext 4 Paving of ring road	22/1/2013	30/6/2013	R 2 800 000.00
	Limpopo low level bridge			R 5 000 000.00
T.F.1				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					
Households without minimum service delivery					
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2008/09
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)
Names: xxx (8); xxx (7)...
T F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/13

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendation
2013/04/29	SECTION 166(2) (a):	
	1. Asset Management Audit	
	* All municipality's policy must be reviewed annually to cater any new trends or development	Adopted
	* Municipality must establish good governance structure such as Assets Management, SCM Committee etc.	
	* Accurate assets register must be kept and updated on a continuous basis	
	* Assets Management Policy must be reviewed to cater the assets disposal processes	
	2. Salary Increase / Ad-hoc Audit	
	* The audit was conducted and there were negative findings	Adopted
	3. Information Technology Audit	
	* The ICT Governance Framework must be designed in such a way that it covers Executive Management's IT responsibilities in their line function	
	* IT risks must be conducted on a regular basis to identify the potential IT risks that might impede the objectives of the IT functions	
	* Municipality must design the and update the project management methodology that is inclusive of all the IT processes	
	* The IT SLA must be design in such a way that it covers all the critical and strategic IT areas	
	* Fire extinguishers and smoke detectors must be installed in the computer room	
	* Disaster Recovery Plan must cover all issue such as testing intervals, where the backup system is place.	
	4. Follow-up Audit on contract a management	
	The Audit was done on employment contracts of temporary workers	
	* Develop HR procedure manual to ease and guide implementation of the policy, and both the reviewed HR policy and HR procedure manual must be submitted to Council for approval.	
	* Management must develop a checklist of all documents which must be contained in the personnel file	
	* Management must ensuer that all posts are advertised as per the municipal policy	
	* Management must ensure that all contracts stipulates the duration of the employment contract	
	* Management must ensure that all contracts are authorized before assumption of duties	
	* Appointment of temporary employees must be guided by the approved organogram and or project plan	
	* Management must ensure that all employees under their supervision are always on duty and available when needed	
	5. Compliance Audit	
	The audit was performed based on:	
	* IDP & Budget process	
	* Monthly Budget Statement	
	* Performance Managemetn Systems processes	

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendation
	i. IDP & Budget process	
	- management must develop a culture of regularly informing the community about the municipal information as well the community rights and duties pertaining to the affairs of the municipality; and	
	- management must also comply with the laws and regulations in order to win community confidence with regard to service delivery and to avoid non-compliance, and offences and penalties relating to non-compliance	
	ii. Monthly Budget Summary	
	- Management must ensure that Section 52 reports are placed on website after tabling in Council	
	- Management must ensure that annual report is placed on the website 5 days after its tabling in the council.	
	iii. Performance Management Systems processes	
	- Management must annually before the start of financial year review PMS Framework and submit to Council for approval before implementation	
	- Mayor must ensure that SDBIP is signed 28 days after approval of Budget.	
	- Management must ensure that SDBIP are made public 14 days after approval.	
	- Management must ensure that the community is involved in the establishment of the PMS	
	- Management must ensure that community is involved in the monitoring and review of the PMS	
	- Management must ensure that the Mid-year report is completed by 25 January each year and is sent to Treasuries and Mayor.	
	6. AG follow-up audit	
	The recommendations regarding this reporting are captured on part C below under the heading "AG responses on issues raised by the AG for 2011/2012 financial year"	Adopted
	7. Leave Audit	
	8. Supply Chain Management Audit	
	B. Review of Annual Financial Statements for 2011/2012 financial year (as per s166(2)(b))	
	Firstly, the Audit Committee sought to determine whether the Annual Financial Statement complied with the provisions of the GRAP standards and the following findings were made:	
	1.1 Property Plant and Equipment	
	The value of assets were incorrectly stated because the asset register was incomplete to the extent that movable assets register was expected to be received from service provider, I@Consulting, on 30 August 2012 at the latest.	
	The service provider was still busy with the calculation of depreciation of the assets including additions to the assets portfolio. Management confirmed that the journals for PPEs were in order and they are supporting documents to that effect.	
	1.2 Leave	
	Management indicated that provision for leave was correct but could not provide AC with schedule support in their claim	
	1.3 Revenue	
	Management indicated that electricity tariffs used for the 2011/2012 financial year were to NERSA approved. This fact was not disclosed in the Annual Financial Statements.	
	1.4 Contingent Liabilities	
	Management indicated that the list for contingent liabilities was received on 29 August 2012 and adjustments were still to be made on the Annual Financial Statements.	
	1.5 Donations	
	Donations were not disclosed in the Annual Financial Statements and management indicated that figures to be used for donations will be supported by service level agreements.	

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendation
	1.6 Servitudes	
	The figures and the methodology used to arrive at the opening balances for servitudes could not be clarified by management. Management however indicated that they will seek assistance from 1@Consulting.	
	1.7 Supply Chain Management	
	<u>Wasteful and fruitless expenditure</u>	
	This expenditure keeps escalating year-in, year-out. Management did not subject this to section 32 of the MFMA procedures.	
	<u>Irregular expenditure</u>	
	Management conceded that with regard to closed tenders, not all bids had three written quotations, even when the regulations dictate there should be.	
	Management conceded that there was no verification of employment status of the bidders, meaning employees of state could have as well being awarded tenders.	
	The deviation register was not attached to the Annual Financial Statements. The deviations were not reported to AG and the responsible MEC of COGHSTA	
	1.8 Inventories	
	The opening and closing balances are the same and need to be corrected. The inventory was not adjusted to stock sheets.	
	1.9 Other Income	
	The figure for other income on note number 46 was not shown.	
	1.10 Journal and supporting documentation	
	Management indicated that duly signed journals and supporting documentations are available in all relevant instances, thereby assuring the Audit Committee that the Auditor General would under no circumstances raise audit queries relating to non-submission of audit evidence.	
	2. SUBMISSION OF ANNUAL FINANCIAL STATEMENTS	
	2.1 Audit Committee expressed the importance of submitting quality Annual Financial Statements on time as it does not condone late submission of the statement.	
	2.2 However, should management realize that they will not be able to submit quality Annual Financial Statement on time, AMM must inform Auditor General and the responsible MEC before 31 August deadline and ask for extension	
	2.3 AMM indicated with confidence that Annual Financial Statements will be submitted on time despite the need to address Audit Committee findings outlined above;	
	2.4 The Audit Committee advised that the revised Annual Financial Statement be submitted to the Audit Committee by 31 August 2012 for further review. Management assured the Audit Committee that it will be given the opportunity to conduct further review to cover other aspects of the Annual Financial Statement which were not covered during the meeting, such as sections 123, 124 and 125 of the MFMA disclosures, unauthorized expenditure, prepayments and receivables, finance and operating lease obligations, etc.	
	3. CONCLUSIONS	
	3.1 The Audit Committee determine whether the Annual Financial Statement submitted to Audit General on 31 August complied with the provisions of MFMA and other applicable legislation.	
	3.2 Council should ensure that management always submit documents timeously to Audit Committee as was previously requested but not done; and	
	3.3 Council should ensure that management compiles quarterly financial statements in order to avoid having to carry heavy work load after the end of financial year.	

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendation
29/4/2013	C. AUDIT COMMITTEE REPSONSES ON ISSUES RAISED BY AUDITOR GENERAL FOR THE FINANCIAL YEAR ENDING 30 JUNE 2012	
	Having considered the Auditor General's findings and their implications, the Audit Committee recommends as follows:	
	* Management must submit a written explanation to Council on a date to be determined by it setting out the reasons why	
	* Comparative figures as disclosed in note 4 to the Annual Financial Statement includes unexplained differences between prior year audited Annual Financial Statement and the current year restated amounts as indicated in item 4;	
	* It did not submit accounting records to explain or support the additional R1 764 669 by which inventory was overstated as indicated in terms of the Annual General's report. Alternatively it must submit such accounting records to Audit Committee to support the amount and adjust accumulated surplus for 2012/2013 upwards by the same amount.	
	* There exists an unexplained difference of R2 319 439 between total amount for property, plant and equipment and underlying accounting records as indicated in item 8 of Auditor General's report.	
	* Assets to the value of R1 143 160 could not be traced to accounting records and financial statements as indicated in Auditor General's report.	
	* The municipality has not developed accounting policies, methods and assumptions for the calculations of the trade receivables impairment provision amounting to R2 329 062 and indicated in item 12 of the Annual General's report	
	* There was no system of control over the recognition and recording of prepaid revenue as indicated in Item 18 of Auditor General's Report, and corrective measures taken or to be taken to deal with it;	
	* The annual report does not comply with the provisions of sections 46 and 41(c) of the Municipal Systems Act (MSA) as well as the requirements of the National Treasury Framework for Managing Programme Performance Information (FMPP) and indicated in terms of 30,31,32,33,34,35,36,37 and 38 of the Annual General's report	
	* It did not submit quarterly performance reports to Internal Audit and Audit Committee during the financial year under consideration as indicated in Item 44-49 and 65 of the Auditor General's report	
	Council should also take note that this failure to submit reports has continued in the first and second quarters of 2012/2013 financial year and should take appropriate actions to stop this non-compliance	Adopted
	Furthermore, management should be directed to submit a report on the performance of the service provider Institute for Performance Management (IPM) with a view to reconsider their contract on an account of sub-standard	Adopted
	* It did not submit evidence that all contracts were only awarded to providers whose tax matters have been declared by the South African Revenue Services to be in order as required by SCM Regulations 43 and indicated in item 51 of the Auditor General's Report	
	* Money owned by the municipality was not always paid within 30 days of receiving of invoice or statement as required by Section 65(2)(e) of the MFMA as indicated in item 52 of the Auditor General's report;	
	* It did not implement a credit control and debt collection policy as required by Section 93(b) of the MSA and Section 62(1)(f)(iii) of the MFMA as indicated in Item 55 of Auditor General's Report	
	* It did not always reconcile revenue on a weekly basis as required by Section 62(2)(h) of the MFMA as indicated in Item 56 of the Auditor General's Report.	
	* It did not put in place an adequate management, accounting and information system which recognized revenue when it is earned as required by Section 62(2)(e) of the MFMA as indicated in Item 57 of Auditor General's report.	
	* It does not always appropriately provide required supervision and review over the operations of the municipality to ensure that it complies with all laws and regulations, appoint the necessary skilled staff members, not fully implement action plans and fail to curb the recurrence of finding identified in the prior year with regard to assets, cash and revenue management as indicated in Item 61 of the Auditor General's report; and	

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2012/2013	Recommendation
	The Mayor and Executive Committee must submit written explanation to Council and MEC of COGHSTA on a date to be determined by Council setting out reasons why:	Adopted
	* There's no monitoring of, and controls within the performance management process to ensure performance against predetermined objectives are useful and reliable as indicated in Item 64 of Auditor General's report	
	* The annual report was not tabled in Council within 7 months after the end of the financial year 2010/2011 as indicated in Item 42 and 43 of the Auditor General's report.	
	* The Mayor's efforts in terms of Section 131 of the MFMA did not yield the desired results	
	Management must provide evidence to Audit Committee on or before 28 March 2013 on the following matters	
	* Supporting, documentation for journal entries to the amount of R1 213 182, R5 009 243, R4	
	Management must:	
	* Identify the creditors which arose as a result of the municipality not using NERSA approved tariffs in respect of prepaid electricity and credit their accounts with respective overcharged amounts	
	* Develop accounting policy (Methods and assumptions) and submit to Audit Committee on or before 20 June 2013 for advice and alter to council for approval on a date to be determined by Council; and	
	* Submit a report on the performance of the service provider responsible for the compilation and updating of the asset registration system and or unbundling with a view for Council to reconsider the contract	
	Council must refer the matters of irregular expenditure under item 16, 20, 21 and 50 to Auditor General's report to MPAC or any other Committee of Council for investigation and recommendations in line with Section 32(2) of the MFMA	
	Investigation into the financial affairs of the municipality in terms of Section 166(2) (d) of the MFMA	
	Alleged tender fraud	
	* That the tender advertisements must be done in such a way that public may have access	
	* That tender be awarded to service provider that meets the qualifying criteria	
	* Bid Evaluation and Adjudication Committee must ensure that minimum requirement as per tender specification is met	
	* All bidders received for any tender must be recorded in the tender register	
	* Delegation of authority must be done in line with the functionality	
	* All the prospective successful tender must be vetted prior to award	
	* Paper / audit trail must be maintained at all cost to minimize the risk of getting disclaimer audit opinion	
		T G

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

TH.1

TH.2

[illegible]

Insert table note advising municipalities to include scorecards.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2008 to 30 June 2009		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

T J

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	2007/08	Current Year 2008/09			2008/09 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1						
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	-	-	-	-	-	-
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	2007/08	2008/09			2008/09 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	26,485	23,572	28,075	23,042	-2.30%	-21.84%
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2.02%	-7.07%
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22.43%	5.61%
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9.41%	-12.94%
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13.40%	6.19%
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7.41%	-23.46%
Service Charges - other	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Interest earned - external investments	5,322	4,470	5,747	4,630	3.45%	-24.14%
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	11.50%	9.73%
Dividends received	1,254	1,003	1,191	1,354	25.93%	12.04%
Fines	2,516	2,063	2,264	2,340	11.83%	3.23%
Licences and permits	6,846	6,230	7,256	6,640	6.19%	-9.28%
Agency services	12,546	10,413	11,793	11,542	9.78%	-2.17%
Transfers recognised - operational	2,355	2,190	2,425	2,402	8.82%	-0.98%
Other revenue	48,542	40,776	48,542	46,115	11.58%	-5.26%
Gains on disposal of PPE	4,565	3,698	4,337	4,291	13.83%	-1.06%
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%
Total Revenue (excluding capital transfers and contributions)	179,353	157,791	181,274	169,118	6.70%	-7.19%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
<p>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

TL.1

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	2007/08	2008/09			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community - Total	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - New Assets Programme*							
							R '000
Description	2007/08	2008/09			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							
T M.1							

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2007/08	2008/09		Planned Capital expenditure	FY + 1	FY + 2	FY + 3
	Actual	Original Budget	Adjustment Budget				
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	2007/08	2008/09		Planned Capital expenditure	FY + 1	FY + 2	FY + 3
	Actual	Original Budget	Adjustment Budget				
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/13

Capital Programme by Project: 2012/2013					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
Upgrading of Donkerpoort Water Purification Plant	R 14 367 580.00	R -	R 14 894 162.96		
Phagameng Ext 11 - Water Reticulation	R 1 000 000.00	R -	R 1 000 000.00		
Sanitation/Sewerage					
Mabatlane Sewer Package Plant	R 4 000 000.00	R 200 000.00	R 4 200 000.00		
mabaleng Sewer Package Plant	R 3 000 000.00	R 1 200 000.00	R 4 200 000.00		
Modimolle Waste Water Treatment Works Phase 2	R 13 174 040.00				
Electricity					
Mabatlane Ext 4 - Street lights	R 595 256.00		R 595 256.00		
Modimolle Street lights	R 297 628.00		R 297 628.00		
Phagameng Ext 10 - Street lights	R 595 256.00		R 595 256.00		
Phagameng Ext 9 - Street lights	R 297 628.00		R 297 628.00		
Phagameng Ext 7 - Street lights	R 595 256.00		R 595 256.00		
Electrification of Phagameng Ext 10	R 3 000 000.00		R 3 000 000.00		
Energy Efficiency and Demand	R 8 000 000.00		R 8 000 000.00		
Sport, Arts & Culture					
Fencing of Mabatlane Cemetery	R 1 200 000.00		R 1 200 000.00		
Fencing of Old Leseding Community Hall	R 492 080.00		R 492 080.00		
Fencing of Old Modimolle Cemetery	R 350 000.00		R 350 000.00		
Fencing of current Modimolle Cemetery	R 350 000.00		R 350 000.00		
Development of Modimolle Parks	R 2 280 000.00		R 2 280 000.00		
Economic development					
Mabatlane Market Stalls	R 656 000.00		R 656 000.00		
Modimolle Market Stalls	R 350 000.00		R 350 000.00		
Sotrmwater / Roads					
Phagameng Streets and stormwater - Phase 4	R 3 019 356.00		R 3 019 356.00		
Modimolle Paving of streets	R 1 712 878.00		R 1 712 878.00		
Freedom Park paving of ring road	R 2 800 000.00		R 2 800 000.00		
Mabatlane Ext 4 - paving of ring road	R 2 800 000.00		R 2 800 000.00		
Limpopo low level bridge	R 5 000 000.00		R 5 000 000.00		

T/N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/13

DRAFT

Capital Programme by Project by Ward: 2012/2013			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Water			
Upgrading of Donkerpoort Water Purification Plant	Ward 4	Yes	
Phagameng Ext. 11 Water Reticulation	Ward 5	Yes	
Sanitation/Sewerage			
Mabatlane Sewer Package Plant	Ward 1	Yes	
Mabaleng Sewer Package Plant	Ward 2	Yes	
Modimolle Waste Water treatment Works Phase 2	Ward 8	No	
Electricity			
Mabatlane Ext 4 Street Lights	Ward 1	Yes	
Modimolle Street Lights	Ward 8	Yes	
Phagameng Ext 10 Street Lights	Ward 5	Yes	
Phagameng Ext 9 Street Lights	Ward 5	Yes	
Phagameng Ext 7 Street Lights	Ward 9	Yes	
Electrification of Phagameng Ext 10	Ward 5	Yes	
Energy Efficiency and Demand	Ward 1,2,3,4,5,6,7,8 & 9	No	
Stormwater			
Phagameng Streets and Stormwater Phase 4	Ward 6 & 7	Yes	
Modimolle Paving of streets	Ward 8	Yes	
Freedpom Park paving of ring road	Ward 9	No	
Mabatlane Ext 4 - paving of ring road	Ward 1	Yes	
Limpopo low level bridge	Ward 8	No	
Economic development			
Mabatlane market Stalls	Ward 1	Yes	
Modimolle market Stalls	Ward 8	No	
Sports, Arts & Culture			
Fencing of Mabatlane Cemetery	Ward 1	No	
Fencing of Old Leseding Community Hall	Ward 3	No	
Fencing of old Modimolle Cemetery	Ward 4	No	
Fencing of current Modimolle Cemetery	Ward 8	No	
Development of Modimolle Parks	Ward 4 & 8	No	
			T O

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				
T P				

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reseviors		
Schools (Primary and High):		
Sports Fields:		
		T Q

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality 2008/09				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2008/09 R' 000	Total Amount committed over previous and future years

* Loans/Grants - whether in cash or in kind

TR

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

[illegible]

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

Delete Directive note before publication

TS.1

APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

Presidential Outcome for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		
T T		

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the audited Annual Financial Statements to the Annual report for 2008/09 – This to be developed as a separate volume. Refer to MFMA Circular 36 for further guidance.

T V2